

December 11, 2007

TO: Members of the MAG Regional Council

FROM: Mayor James M. Cavanaugh, Goodyear, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 5:00 p.m.

Wednesday, December 19, 2007

MAG Office, Suite 200 - Saguaro Room

302 North 1st Avenue, Phoenix

Dinner - 6:30 p.m.

MAG Office, Suite 200

The next Regional Council meeting will be held at the MAG offices at the time and place noted above. Members of the Regional Council may attend either in person, by videoconference or by telephone conference call. Members who wish to remove any items from the Consent Agenda are requested to contact the MAG office. MAG will host a dinner/reception for the Regional Council members following the meeting in the MAG Cholla Room on the 2nd floor. Supporting information is enclosed for your review.

Please park in the garage underneath the building. Parking places will be reserved for Regional Council members on the first and second levels of the garage. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions, please call the MAG office.

c: MAG Management Committee

**MAG REGIONAL COUNCIL
TENTATIVE AGENDA
December 19, 2007**

| | <u>COUNCIL ACTION REQUESTED</u> |
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| 1. <u>Call to Order</u> | |
| 2. <u>Pledge of Allegiance</u> | |
| 3. <u>Call to the Audience</u> An opportunity will be provided to members of the public to address the Regional Council on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. | 3. Information. |
| 4. <u>Executive Director's Report</u> The MAG Executive Director will provide a report to the Regional Council on activities of general interest. | 4. Information and discussion. |
| 5. <u>Approval of Consent Agenda</u> Council members may request that an item be removed from the consent agenda. Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items. Consent items are marked with an asterisk (*). | 5. Approval of the Consent Agenda. |

ITEMS PROPOSED FOR CONSENT*

MINUTES

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| *5A. <u>Approval of the October 24, 2007 Meeting Minutes</u> | 5A. Review and approval of the October 24, 2007 meeting minutes. |
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TRANSPORTATION ITEMS

*5B. Pedestrian and Bicycle Design Assistance Programs

The FY 2008 MAG Unified Planning Work Program and Annual Budget, approved by the Regional Council in May 2007, includes \$200,000 for the Pedestrian Design Assistance Program and \$300,000 for the Bicycle/Shared-Use Design Assistance Program. Four project applications were submitted by member agencies. On September 18, 2007, the MAG Bicycle Task Force and the MAG Pedestrian Working Group recommended four projects for approval. The Pedestrian Working Group, the Bicycle Task Force, the Transportation Review Committee and the Management Committee recommended the four Design Assistance projects for approval. Please refer to the enclosed material.

*5C. MAG Regional Bikeway Master Plan

In June 2005, the MAG Regional Council approved \$150,000 of Congestion Mitigation and Air Quality (CMAQ) funding for the development of the MAG Regional Bikeway Master Plan. The Master Plan serves as a guide for improving, expanding and connecting the MAG Region's bicycle facility network. The MAG Pedestrian Working Group, the MAG Bicycle Task Force, the Transportation Review Committee and the Management Committee recommended the MAG Regional Bikeway Master Plan for approval. Please refer to the enclosed material.

*5D. Arterial Life Cycle Program Status Report

A status report on the Arterial Life Cycle Program (ALCP) is provided for the period between July and September 2007 and includes an update on ALCP Project work, the remaining FY 2008 ALCP schedule, and ALCP revenues and finances. Please refer to the enclosed material.

5B. Approval of the following projects for funding from the Design Assistance Program: City of Scottsdale, 70th Street Pedestrian and Bicycle Connection (\$55,000); Town of Gilbert, Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000); Town of Gilbert, Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000); City of Peoria, New River Underpass at Olive Avenue (\$125,000).

5C. Approval of the MAG Regional Bikeway Master Plan.

5D. Information.

*5E. Update to the Arterial Life Cycle Program Policies and Procedures

The Arterial Life Cycle Program (ALCP) Policies and Procedures, approved by the MAG Regional Council on December 13, 2006, requires revisions. The proposed revisions include a section on Regional Area Road Fund (RARF) closeout policies and other minor technical refinements. The Transportation Review Committee and the Management Committee recommended approval of the revisions. This item is on the December 12, 2007 Transportation Policy Committee agenda. An update will be provided on action taken by the committee. Please refer to the enclosed material.

5E. Approval of the proposed changes to the previously approved December 13, 2006 ALCP Policies and Procedures.

*5F. Amendment to the FY 2008 MAG Unified Planning Work Program to Include a Transportation Survey

In December 2006, the MAG Regional Council approved MAG's participation in a Statewide Intrastate Mobility Reconnaissance Study. This study is nearing completion, and transportation framework studies are about to be initiated throughout the state. To better understand public attitudes regarding transportation needs, potential solutions and timing, a public opinion survey is being recommended. The scientific household telephone survey would explore citizen attitudes regarding transportation issues and potential solutions on a regional and statewide basis in addressing mobility needs. This item is on the December 12, 2007 Transportation Policy Committee agenda. An update will be provided on action taken by the committee.

5F. Possible approval of an amendment to the FY 2008 MAG Unified Planning Work Program and Annual Budget to include \$55,000 for a transportation survey measuring regional and statewide attitudes, opinions and interests.

GENERAL ITEMS

*5G. Proposed 2008 Revisions to MAG Standard Specifications and Details for Public Works Construction

The MAG Standard Specifications and Details Committee has completed its review of proposed 2008 revisions to the MAG Standard Specifications and Details for Public Works Construction. These revisions are currently being

5G. Information.

reviewed by MAG Member Agency Public Works Directors and/or Engineers. It is anticipated that the annual update packet will be available for purchase in early January 2008. Please refer to the enclosed material.

*5H. Approval of the Draft July 1, 2007 Maricopa County and Municipality Resident Population Updates

MAG staff has prepared draft July 1, 2007, Maricopa County and Municipality Resident Population Updates. The Updates, which are used to allocate \$23 million in lottery funds to local jurisdictions, prepare local budgets and set expenditure limitations were prepared using the 2005 Census Survey for Maricopa County as the base and housing unit data supplied and verified by MAG member agencies. Because the July 1, 2007 County control total prepared by the Arizona Department of Economic Security (DES) was draft when considered by the MAG Population Technical Advisory Committee (POPTAC) and MAG Management Committee, it was recommended for approval provided that the draft Maricopa County control total is within one percent of the final control total. The final county control total was approved by the State Population Technical Advisory Committee on December 7, 2007 and is within one percent of the final control total. The final July 1, 2007 Maricopa County and municipality resident population updates are enclosed.

5H. Approval of the July 1, 2007 Maricopa County and Municipality Resident Population Updates.

ITEMS PROPOSED TO BE HEARD

TRANSPORTATION ITEMS

6. Commuter Rail Strategic Plan

Since February 2007, MAG has been working on a Commuter Rail Strategic Plan, which will establish a framework for implementing commuter rail service in Maricopa County and northern Pinal County. The MAG consultant will provide a briefing on the study process to date, including proceedings of the Commuter Rail Stakeholders Group. The present schedule anticipates completing the project in February 2008.

6. Information and discussion.

7. Building a Quality Arizona (BOAZ) Update

Over the past year, the Arizona Councils of Governments and Metropolitan Planning Organizations Association has been meeting to discuss growth and transportation issues. As a result of these meetings, a statewide Reconnaissance Study has been initiated and in July 2007, the Arizona Department of Transportation authorized \$7 million for transportation framework studies. ADOT has hired a master consultant and is developing a schedule for the studies. In addition, ADOT intends to work on a preliminary list of critical needs that would be completed in May 2008. The purpose of the studies is to define the transportation needs and potential solutions for the transportation challenges facing Arizona. On December 12, 2007, the Transportation Policy Committee made a recommendation on this item. Please refer to the enclosed material.

7. Recommend having MAG work cooperatively with the Arizona Department of Transportation and the Arizona COG and MPO Association in developing the transportation framework studies that will set the future transportation direction for Arizona. Also to have MAG work cooperatively with ADOT to provide information that will describe the transportation challenges facing this region, including representative projects that are part of the approved Regional Transportation Plan. In addition, assist ADOT in describing future needs as part of the transportation framework studies.

AIR QUALITY ITEMS8. Five Percent Plan for PM-10

The MAG 2007 Five Percent Plan for PM-10 is due to the Environmental Protection Agency by December 31, 2007. Collectively, the plan includes fifty-three committed control measures. The plan demonstrates that the committed measures will reduce PM-10 emissions by at least five percent per year and demonstrates attainment of the PM-10 standard as expeditiously as practicable which is 2010. A public hearing will be conducted on the draft plan on December 12, 2007. Following the consideration of public comments, the MAG Air Quality Technical Advisory Committee may make a recommendation on December 17, 2007. The MAG Regional Council may take action on the plan on December 19, 2007. Please refer to the enclosed material.

8. Adopt the MAG 2007 Five Percent Plan for PM-10 for the Maricopa County Nonattainment Area.

GENERAL ITEMS

9. Update on the Regional Office Center

At the July 9, 2007, Executive Committee meeting, MAG staff received direction to issue a Request for Qualifications (RFQ) for the design and construction of the Regional Office Center per Title 34 procurement guidelines. The RFQ was issued on August 1, 2007, and the Statements of Qualifications were due to MAG by August 30, 2007. A five member panel reviewed and short-listed applicants on September 6 and interviews were held on September 11, 2007. Formal action to approve selection of a design build team was delayed at the September 12, 2007, Executive Committee meeting pending further selection panel discussion and deliberations. The panel presented a recommended ranking of the following firms to MAG as follows: (1) McCarthy/DMJM, (2) Sundt/SmithGroup, and (3) Ryan/RNL. At the November 19, 2007, Executive Committee and Building Lease Working Group meeting, the Executive Committee accepted the rankings for the one-step design-build services RFQ for the purpose of authorizing MAG to enter into negotiations for a design-build team and has recommended the rankings to the MAG Regional Council for approval.

At the October 15, 2007, Executive Committee and Building Lease Working Group meeting, staff was directed to continue the negotiations regarding the Regional Office Center and to bring the results of the negotiations to the November Executive Committee meeting for consideration. At the November 19, 2007, Executive Committee and Building Lease Working Group meeting, the Executive Committee recommended the following to the MAG Regional Council for consideration: 1) Letter of Intent with the landowner to purchase property; 2) Draft Memorandum of Cooperation between MAG, the Regional Public Transportation Authority (RPTA) and Valley Metro Rail (METRO); 3) Terms for a Development Agreement with the City of Phoenix and; 4) Resolution of indemnification with Ryan

9. Approval of the following: 1) Letter of Intent with the landowner to purchase property; 2) Draft Memorandum of Cooperation between MAG, the Regional Public Transportation Authority (RPTA) and Valley Metro Rail (METRO); 3) Terms for a Development Agreement with the City of Phoenix; 4) Design-Build team rankings; and 5) Resolution of indemnification with Ryan Companies.

Companies. Please refer to the enclosed material.

10. Comments from the Council

An opportunity will be provided for Regional Council members to present a brief summary of current events. The Regional Council is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

10. Information.

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

October 24, 2007
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

| | |
|---|---|
| Mayor James M. Cavanaugh, Goodyear, Chair | # Supervisor Don Stapley, Maricopa County |
| # Mayor Mary Manross, Scottsdale, Vice Chair | Mayor Keno Hawker, Mesa |
| # Councilmember Robin Barker, Apache Junction | Mayor Ed Winkler, Paradise Valley |
| Mayor Marie Lopez Rogers, Avondale | Mayor Bob Barrett, Peoria |
| Mayor Bobby Bryant, Buckeye | # Councilmember Peggy Neely, Phoenix |
| * Mayor Wayne Fulcher, Carefree | # Mayor Art Sanders, Queen Creek |
| Councilmember Dick Esser, Cave Creek | Vice President Martin Harvier for President |
| # Mayor Boyd Dunn, Chandler | Diane Enos, Salt River Pima-Maricopa |
| * Mayor Fred Waterman, El Mirage | Indian Community |
| President Raphael Bear, Fort McDowell | * Mayor Joan Shafer, Surprise |
| Yavapai Nation | # Mayor Hugh Hallman, Tempe |
| * Mayor Wally Nichols, Fountain Hills | * Mayor Adolfo Gamez, Tolleson |
| Mayor Fred Hull, Gila Bend | * Mayor Ron Badowski, Wickenburg |
| * Governor William Rhodes, Gila River Indian | Mayor Michael LeVault, Youngtown |
| Community | * Joe Lane, State Transportation Board |
| Mayor Steven Berman, Gilbert | Felipe Zubia, State Transportation Board |
| # Mayor Elaine Scruggs, Glendale | * F. Rockne Arnett, Citizens Transportation |
| * Mayor Bernadette Jimenez, Guadalupe | Oversight Committee |
| Mayor Thomas Schoaf, Litchfield Park | |

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair James M. Cavanaugh at 5:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Cavanaugh noted that Councilmember Robin Barker, Mayor Boyd Dunn, Mayor Elaine Scruggs, Supervisor Don Stapley, Councilmember Peggy Neely, Mayor Joan Shafer, and Mayor Hugh Hallman

were participating by telephone. Chair Cavanaugh stated that parking validation and transit tickets were available from MAG staff.

Chair Cavanaugh reported that the MAG Human Services Coordinating Committee unanimously recommended approval of the 2007 Regional Human Services Summit Report (agenda item #5H). He noted that material for agenda item #9 was at each place.

3. Call to the Audience

Chair Cavanaugh noted that public comment cards were available to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested not to exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Cavanaugh recognized public comment from Joseph Ryan, a 15 year resident of Sun City West. He said that the traffic on I-10 has been increasing and the air quality is declining. Mr. Ryan stated that his suggestions that will solve these problems have been ignored. He commented that bus rapid transit is great. Mr. Ryan stated that only something that is faster and better than current options will relieve congestion. He asked why a rail line down the middle of the freeway was being considered since it would bring more people into an area that is already congested. Mr. Ryan stated that CTOC does not have oversight on their agendas and commented that the chair had voted with Phoenix and Mesa against the three smaller cities on the reimbursement of interest cost. Mr. Ryan stated that transportation is terribly underfunded and there are no roads planned in the West Valley. He suggested increasing the gas tax for more revenue. Chair Cavanaugh thanked Mr. Ryan for his comments.

Chair Cavanaugh recognized public comment from Dianne Barker, who stated that she rode the bus to the meeting and expressed thanks for the transit tickets. Ms. Barker stated that she has lived in many Valley communities and learned to use transit, thereby saving money because she did not have to buy a car. She stated that multimodal transportation will solve traffic problems. Ms. Barker stated that the Valley is blessed to not have disasters, but is destined to be huge. She stated that last year, the Proposition 400 revenue exceeded the estimates by 10 percent, but this year, it is down to one percent. Ms. Barker suggested members remember the oath of office they took. Chair Cavanaugh thanked Ms. Barker for her comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, provided a report to the Regional Council on activities of general interest.

Mr. Smith announced that MAG had received a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the Comprehensive Annual Financial Report for the period ending June 30, 2006.

Mr. Smith announced that the MAG Fiscal Services Division had received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the MAG Unified Planning

Work Program and Annual Budget. Mr. Smith noted that the award is the highest form of recognition in governmental budgeting, and MAG has received this award for the past seven years.

Mr. Smith reported on the Building a Quality Arizona project. He said that the map for the framework studies was developed and ADOT provided \$7 million to conduct the framework studies. Mr. Smith stated that a statewide transportation futures forum is planned for late November 2007. Chair Cavanaugh thanked Mr. Smith for his report. No questions from the Council were noted.

5. Approval of Consent Agenda

Chair Cavanaugh noted that agenda items #5A through #5H were on the consent agenda.

Chair Cavanaugh recognized public comment from Mr. Ryan, who said that the real air quality problem is PM-2.5. Mr. Ryan stated that he has had friends in Sun City West who have had to relocate because of the bad air quality. He commented that traffic has a lot to do with the problem. Mr. Ryan stated that he has not seen any numbers to reduce medical bills, the time cost, or fuel bills resulting from bad air quality. He stated that planners need to think outside the box. Mr. Ryan stated that highways are widened but then are funneled on to underbuilt interchanges. He stated that convenience is a major factor in getting people to use mass transit. Mr. Ryan commented that it will cost \$300 million for three trains to run 52 miles twice per day. Chair Cavanaugh thanked Mr. Ryan for his comments.

Chair Cavanaugh asked members if they had any questions or any requests to hear an item individually. None were noted. With no further discussion of the consent agenda, Chair Cavanaugh called for a motion to approve consent agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H. Councilmember Esser moved, Mayor Sanders seconded, and the motion passed unanimously.

5A. Approval of the September 26, 2007 Meeting Minutes

The Regional Council, by consent, approved the September 26, 2007 meeting minutes.

5B. Project Changes: Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program, FY 2008 Arterial Life Cycle Program, and, as Appropriate, to the Regional Transportation Plan 2007 Update

The Regional Council, by consent, approved the amendments and administrative modifications, shown in the attached tables, to the FY 2008-2012 Transportation Improvement Program, the FY 2008 Arterial Life Cycle Program, and, as appropriate, to the Regional Transportation Plan 2007 Update. The FY 2008-2012 Transportation Improvement Program (TIP) and the FY 2007 Regional Transportation Plan (RTP) 2007 Update were approved by the Regional Council on July 25, 2007, and the FY 2008 Arterial Life Cycle Program (ALCP) was approved by Regional Council on June 27, 2007. Since that time, member agencies have requested modifications to projects in the programs. The Transportation Review Committee and the Management Committee recommended approval.

5C. New Finding of Conformity for the Regional Transportation Plan 2007 Update and FY 2008-2012 MAG Transportation Improvement Program, as Amended

The Regional Council, by consent, approved the new Finding of Conformity for the Regional Transportation Plan 2007 Update and FY 2008-2012 MAG Transportation Improvement Program, as amended. On July 25, 2007, the MAG Regional Council approved a proposed amendment to the Regional Transportation Plan to delete the SR 153 corridor and add a project to improve the existing SR 143 and SR 202 Loop traffic interchange, and to amend the Regional Transportation Plan and the FY 2008-2012 MAG Transportation Improvement Program subject to an air quality conformity analysis. MAG has conducted a regional emissions analysis for the proposed amendment. The results of the regional emissions analysis for the proposed amendment, when considered together with the RTP and TIP as a whole, indicate that the transportation improvements will not contribute to violations of federal air quality standards. Any comments on the amendment and finding of conformity were requested by October 22, 2007 following a 30-day public review period.

5D. Recommendation of Prioritized List of Proposed PM-10 Certified Street Sweeper Projects for FY 2008 CMAQ Funding

The Regional Council, by consent, approved a prioritized list of proposed PM-10 certified street sweeper projects for FY 2008 CMAQ funding and retained the prioritized list for any additional FY 2008 CMAQ funds that may become available due to year-end closeout, including any redistributed obligation authority, or additional funding received by this region. The FY 2008 MAG Unified Planning Work Program and Annual Budget and the FY 2008-2012 MAG Transportation Improvement Program contain \$1,110,000 in Congestion Mitigation and Air Quality (CMAQ) funding for the purchase of PM-10 certified street sweepers. PM-10 certified street sweeper projects were solicited from member agencies in the Maricopa County PM-10 nonattainment area and 18 applications requesting \$3.07 million in federal funds were received. The MAG Air Quality Technical Advisory Committee and the MAG Management Committee recommended a prioritized list of proposed PM-10 certified street sweeper projects for FY 2008 CMAQ funding.

5E. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment to the FY 2008-2012 MAG Transportation Improvement Program. The proposed amendment includes the repackaging of existing Arizona Department of Transportation projects on Interstate-17 and on Interstate-10 between Loop 101 (Agua Fria Freeway) and Verrado Way. The amendment also includes nine federal-aid projects for the paving of dirt roads and shoulders in the Maricopa PM-10 Nonattainment Area for FY 2008, and several transit projects. The amendment includes projects that may be categorized as exempt and minor project revisions that do not require a conformity determination. Comments on the conformity assessment were requested by October 22, 2007. The item was on the agenda for consultation.

5F. FY 2009 MAG PSAP Annual Element/Funding Request and FY 2009-2013 Equipment Program

The Regional Council, by consent, approved the FY 2009 MAG PSAP Annual Element/Funding Request and FY 2009-2013 Equipment Program for submittal to the Arizona Department of

Administration. Each year, the MAG Public Safety Answering Point (PSAP) Managers submit inventory and upgrade requests that are used to develop a five-year equipment program that forecasts future 911 equipment needs of the region and enables MAG to provide estimates of future funding needs to the Arizona Department of Administration (ADOA). The ADOA Order of Adoption stipulates allowable funding under the Emergency Telecommunications Services Revolving Fund, which is funded by the monthly 911 excise tax on wireline and wireless telephones. The funding request for FY 2009 is required to be submitted to the ADOA by December 15, 2007. The MAG PSAP Managers, the MAG 911 Oversight Team, and the MAG Management Committee recommended approval of the Funding Request and Equipment Program.

5G. MAG 208 Small Plant Review and Approval for the Proposed Scorpion Bay Wastewater Treatment Plant

The Regional Council, by consent, approved the proposed Scorpion Bay Wastewater Treatment Plant as part of the MAG 208 Water Quality Management Plan. The City of Peoria has requested that MAG review the proposed Scorpion Bay Wastewater Treatment Plant through the Small Plant Review and Approval Process of the MAG 208 Water Quality Management Plan. The facility would have an ultimate capacity of 35,000 gallons per day and reclaimed water would be disposed of through on-site irrigation reuse at the Scorpion Bay Marina. The project is located within the Peoria Municipal Planning Area and Lake Pleasant Regional Park that is managed by Maricopa County. The right to use the land for the Scorpion Bay Marina has been granted through an agreement with the Maricopa County Parks and Recreation Department. Maricopa County has also provided a letter indicating that it does not object to the proposed wastewater treatment plant. In addition, Yavapai County is within three miles of the project and has indicated no objections. The MAG Water Quality Advisory Committee and the MAG Management Committee recommended approval of the Small Plant Review and Approval for the proposed plant.

5H. 2007 Regional Human Services Summit Report

The Regional Council, by consent, approved the 2007 Regional Human Services Summit Report. In June 2007, nearly 200 people attended MAG's first Regional Human Services Summit. Participants developed the framework for eight projects, which are detailed in the 2007 Regional Human Services Summit Report. The projects address a diverse range of issues such as juvenile crime, developmental disabilities and aging. Community leaders have pledged to move the projects forward. The MAG Continuum of Care Regional Committee on Homelessness, the MAG Regional Domestic Violence Council, the MAG Human Services Technical Committee, and the MAG Management Committee have recommended approval of the Report. The MAG Human Services Coordinating Committee recommended approval of the report on October 17, 2007.

6. FY 2008 Early Phase Input Opportunity Report

Jason Stephens, MAG Public Involvement Planner, provided a report on the Early Phase Input Opportunity, which provides for initial public input prior to a draft listing of projects being compiled for a draft Transportation Improvement Program. He stated that MAG has a four-phase public input process that was adopted in 1994, and enhanced in 1998 and in 2006 to ensure Valley residents are provided with multiple opportunities for input into the development of the region's transportation Plans

and programs. Mr. Stephens displayed a list of the input opportunities during the early phase. He noted that MAG typically coordinates input efforts with ADOT, Valley Metro and METRO to ensure that residents have an opportunity to speak with all regional transportation entities at the same time. Mr. Stephens reviewed a summary of questions and comments, all of which are included in the FY 2008 Early Phase Input Opportunity Report. Chair Cavanaugh thanked Mr. Stephens for his report and asked members if they had questions.

Mayor Lopez Rogers commented that the report did not seem to represent all of the input received. She asked how some input was included in the report and other input was not included. Mr. Stephens replied that many of the comments and questions are received verbally at events attended by MAG staff. The questions are answered at that time, and that is why they are not in the report. Mr. Stephens thanked Mayor Lopez Rogers for her observation and said that MAG staff would start including more of these comments. Mayor Lopez Rogers indicated that she felt this would be beneficial to understanding the complete picture.

7. 2007 Annual Report on the Status of the Implementation of Proposition 400

Roger Herzog, MAG Senior Project Manager, stated that MAG is required by Arizona statute to issue an annual report on the status of projects funded by the half-cent sales tax authorized by Proposition 400. Mr. Herzog stated that the FY 2007 revenue was 6.7 percent higher than FY 2006, but less than the historical rate of 7.4 percent. He advised that ADOT currently is reviewing all revenue projections, which may result in lower long-range forecasts.

Mr. Herzog stated that the estimated future costs of \$6.609 billion for the Transit Life Cycle Program are currently in balance with projected revenues of \$6.635 billion. He advised that the cost/revenue balance will be a continuing challenge, due to increases in fuel and construction costs and the outlook for discretionary funding from the Federal Transit Administration for light rail.

Mr. Herzog stated that the total estimated future regional disbursements of \$1.674 billion for Arterial Life Cycle Program (ALCP) projects are in balance with projected revenues of \$1.864 billion. He advised that since the regional contributions for the ALCP are capped with a fixed amount of regional funding allocated to individual projects, the balance between estimated future disbursements and projected revenues is easier to maintain than in the other modes. Mr. Herzog noted that the share of total costs that must be borne by local jurisdictions has increased from 31.8 percent in 2005 to 42.2 percent in 2007. He advised that cost increases may result in some arterial street projects being reduced in scope or delayed during the life of the program.

Mr. Herzog stated that estimated future costs of \$10.501 billion in the Freeway/Highway Life Cycle Program are currently in balance with projected revenues of \$10.738 billion. He advised that preliminary information from ongoing studies indicates that project costs could be in the range of \$2-3 billion more than currently programmed. Mr. Herzog noted that MAG staff will assess cost and revenue data and present program options in early 2008. He noted that potential approaches to this issue could include more aggressive bonding of future revenues and public/private partnerships, adjustments of project scopes, or extension of the project schedule. Chair Cavanaugh thanked Mr. Herzog for his report.

Chair Cavanaugh asked the rationale for increasing the local share on ALCP projects from 30 percent to 40 percent. Mr. Herzog replied that the regional contribution remains fixed but the local share can increase, due to construction cost changes. Mr. Herzog stated that construction costs have increased significantly above the Consumer Price Index, and that is why the local share has increased.

Mayor Hawker asked if extending the timeline of Proposition 400 projects might require a legislative process. Mr. Herzog replied that he did not think it would require legislation at this time, but assumptions regarding the half-cent tax would be an issue so far as programming the long range plan for additional years. Mayor Hawker asked if federal dollars or the state gas tax could be used to finish the plan if the half cent sales tax for transportation had ended and projects had not been completed. Mr. Herzog noted that was correct.

8. Air Quality Update

Lindy Bauer, Director of Environmental Programs, updated members on air quality. The first item she reported on was the MAG Five Percent Plan for PM-10, which is required to reduce PM-10 particulate emissions by five percent per year until the standard is attained at the monitors. Ms. Bauer noted that the plan is due to the Environmental Protection Agency by December 31, 2007. She stated that the Plan must show five percent per year reduction in emissions until standard is attained at the monitors based upon the most recent emissions inventory, and must also demonstrate attainment via modeling.

Ms. Bauer displayed a graph of number of days by year exceeding the 24-hour PM-10 standard in Maricopa County. She stated that the 2007 exceedance days may be due to high wind events and might not count against the region. Ms. Bauer added that three years of clean data are required to attain the standard. She also displayed a chart that showed exceedances of the 24-hour PM-10 standard by monitor. Ms. Bauer noted that the Durango monitor, which had been problematic, showed zero exceedances in 2007. She commented that this shows the situation is improving.

Ms. Bauer stated that in June 2007, the Legislature passed SB 1552 which contains several PM-10 measures. She advised that commitments to implement measures have been received from ADOT and all of the cities and towns in the PM-10 nonattainment area. Ms. Bauer stated that Maricopa County Board of Supervisors passed a \$23 million package of commitments on September 10th, which includes hiring 91 additional personnel to assist in training and enforcement of fugitive dust rules.

Ms. Bauer displayed the reductions in 2010 for committed control measures in the Five Percent Plan for PM-10. She noted that the draft emission reductions appear to be in sufficient amount to meet the five percent reduction requirement and the contingency requirements.

Ms. Bauer noted MAG Initiatives Supporting the Five Percent Plan. She stated that the MAG Regional Council allocated an additional \$5 million in FY 2007 federal funds to pave dirt roads and shoulders. The MAG unpaved road inventory, which originated with a request from the Management Committee, identified 220 miles of unpaved roads located in county islands. Ms. Bauer stated that a workshop will be held in fall 2007 to help cities and towns track the implementation of their committed measures and also help prepare them for reporting to the Legislature in 2008.

Ms. Bauer explained that MAG requested that the Legislature prohibit new dirt roads be prohibited, but was met with opposition by the Board of Realtors. She noted that approximately 1,680 miles of dirt

roads have been identified in the region, many of which may be private. Ms. Bauer stated that public funds cannot be used to pave private dirt roads. Ms. Bauer advised that this session, the Legislature would be requested to do something about the dirt road problem and she would provide updates to the Committee.

Ms. Bauer reported on some of the local government requirements of Senate Bill 1552. She said that plans to stabilize unpaved roads, alleys and unpaved shoulders on targeted arterials are due January 1, 2008. Ms. Bauer noted that ordinances to stabilize unpaved parking areas, restrict vehicle parking and use on vacant lots, and ban the blowing of landscape debris into public roadways are due March 31, 2008. Also by March 31, 2008, ordinances to prohibit the operation of off-highway vehicles on unauthorized unpaved surfaces need to be in place. Ms. Bauer stated that on June 1 and December 1, 2008 and 2009, the cities/towns and the county will need to submit particulate enforcement reports to Joint Legislative Budget Committee. In 2008 and 2009, the State Air Quality Study Committee will review implementation and enforcement of measures as part of their duties.

Ms. Bauer reported on the 8-Hour Ozone Plan, which was submitted June 15, 2007. She advised that the Maricopa nonattainment area had zero violations and no exceedances this ozone season. Chair Cavanaugh thanked Ms. Bauer for her report and extended his compliments to the cities, towns and the County.

Vice President Harvier asked for additional detail on the number of sites monitored. Ms. Bauer replied that the County, for the most part, operates 20 to 27 monitoring sites.

Chair Cavanaugh asked members participating by telephone if they had questions. None were noted.

9. MAG 208 Water Quality Management Plan Amendment for the Hassayampa Utility Company Northeast Service Area

Julie Hoffman, MAG Environmental Planner, stated that Maricopa County has requested that MAG amend the 208 Water Quality Management Plan to include four water reclamation facilities for the Hassayampa Utility Company Northeast Service Area located in unincorporated Maricopa County. She explained that the total expected wastewater flows throughout the Area are projected to be 45 million gallons per day (mgd). Ms. Hoffman noted that on August 7, 2007, MAG conducted a public hearing on the Draft MAG 208 Plan Amendments for the Hassayampa Utility Company Northeast Service Area and Hassayampa Utility Company Southwest Service Area. Following the public hearing, the MAG Water Quality Advisory Committee recommended approval of the Draft MAG 208 Plan Amendment for the Hassayampa Utility Company Northeast Service Area. Ms. Hoffman advised that on September 12, 2007, the MAG Management Committee continued the Draft 208 Plan Amendment for 30 days until its October meeting. Ms. Hoffman stated that at the October 3, 2007 MAG Management Committee meeting, the Town of Buckeye reported that the Town adopted a Memorandum of Understanding outlining that the Town and Global Water would work to address its concerns and continue discussions. Buckeye indicated that it would not oppose the amendment at the MAG Management Committee meeting based on those good faith discussions; however, the Town's position at the MAG Regional Council meeting would be determined by those good faith efforts. She noted that the Management Committee recommended approval of the Draft 208 Plan Amendment. Ms. Hoffman reported that since

the Management Committee meeting, the Town of Buckeye and Global Water have indicated that an agreement has been reached.

Chair Cavanaugh thanked Ms. Hoffman for her report. He asked Paul Gilbert, Beus Gilbert, representing Global Water, if he wanted to make any comments. Mr. Gilbert stated that due to the agreement that had been reached, he was pleased to not be making any comments. He noted that Trevor Hill from Global Water was present and would like to address the Council after Mayor Bryant spoke.

Mayor Bryant stated that he was pleased to announce that in a special session on Monday night, the Buckeye Town Council approved an agreement between the Town and Global Water regarding the shared use of the Hassayampa Sub-basin and other matters related to the Hassayampa Utility Company Northeast 208 Amendment. Mayor Bryant expressed that he looked forward to continued discussions with Mr. Hill and the staff at Global Water related to their common water and wastewater issues in the Hassayampa region. He expressed appreciation for the support provided by the region as the Town and Global Water collaborated on common regional environmental stewardship and developed a new approach to public/private partnerships. Mayor Bryant advised that as a result of the agreement, the Town will no longer object to the Hassayampa Utility Company Northeast 208 Amendment.

Mr. Hill stated that Global Water was pleased to cooperate with the Town. He said that the Town and Global have entered into an agreement for the shared management of the Hassayampa Sub-basin. Mr. Hill stated that it was a remarkable effort on the Town's behalf. He expressed his appreciation for the process and stated that Global is committed and pleased to enter into a partnership with the Town. Mr. Hill extended his compliments to Mayor Bryant.

Mayor Hawker stated that he has asked about legal reasons for denial. He said that he has tried to tie that into transportation but was unsuccessful. Mayor Hawker stated that he has concluded that if there is a 100-year groundwater supply that is pumped out and there is no surface water for replenishment, water will eventually run out. He stated that then you have to be a subscriber of the Central Arizona Groundwater Replenishment District to bring water in. Mayor Hawker stated that this meets the letter of the law, but he did not feel it was sustainable unless there was a surface water delivery system. He stated that if he was wrong in his belief, he hoped he could be corrected; otherwise, he would vote no on the amendment.

Mr. Hill stated that the question raised by Mayor Hawker was complicated and outside the mandate of the 208. Mr. Hill said that Mayor Hawker was correct that a plan was required for withdrawal and a plan was required for replenishment. He said that Global already operates a replenishment system for groundwater discharge in the Hassayampa Sub-basin. Mr. Hill indicated that Global takes surface water from the CAP Canal and recharges to the aquifer now. He stated that under the public/private partnership, he and Mayor Bryant had discussed the opportunity to increase the amount of water recharged to that basin. Mr. Hill said Global shares Mayor Hawker's concern and has gone to lengths to begin discussions to ensure a balance stays in place during the lifetime of their planning activity.

Mayor Hawker asked if the acre feet of CAP direct delivery matched the anticipated usage. Mr. Hill replied that all developments will be enrolled in the Central Arizona Groundwater Replenishment District. He commented that whether the Central Arizona Groundwater Replenishment District finds a way to replenish in that basin specifically or in others of the Phoenix Active Management Area is yet

to be seen. Mr. Hill stated there are already activities at the Desert Tonopah Recharge Facility, which is recharging already to this specific basin.

Mayor Barrett asked Mr. Hill if they were recharging and building groundwater credits or is it a GRD recharge for this particular venture. Mr. Hill replied that in this particular venture, it was for credits. Mayor Barrett asked if Global was doing this in Tonopah. Mr. Hill replied that they were.

With no further discussion, Chair Cavanaugh asked for a motion. Mayor Bryant moved approval of the MAG 208 Water Quality Management Plan Amendment for the Hassayampa Utility Company Northeast Service Area. Supervisor Stapley seconded, and the motion passed, with Mayor Hawker and President Bear voting no.

10. Comments from the Council

An opportunity will be provided for Regional Council members to present a brief summary of current events. The Regional Council is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Council were noted.

There being no further business, the Regional Council meeting adjourned at 6:00 p.m.

Secretary

Chair

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

December 11, 2007

SUBJECT:

Pedestrian and Bicycle Design Assistance Programs

SUMMARY:

The FY 2008 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2007, includes \$200,000 for the Pedestrian Design Assistance Program and \$300,000 for the Bicycle/Shared-Use Design Assistance Program. The design programs allow MAG member agencies to apply for funding for the design portion of a bicycle or pedestrian project. Four applications for the program were received on August 28, 2007. On September 18, 2007, the MAG Pedestrian Working Group and the MAG Bicycle Task Force reviewed the applications and recommended that the following projects receive funding:

- City of Scottsdale: 70th Street Pedestrian and Bicycle Connection (\$55,000)
- Town of Gilbert: Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000)
- Town of Gilbert: Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000)
- City of Peoria: New River Underpass at Olive Avenue (\$125,000)

PUBLIC INPUT:

None.

PROS & CONS:

PROS: This program assists MAG member agencies by offering professional design assistance to develop bicycle and pedestrian facilities that help reduce congestion and improve air quality.

CONS: According to federal law, any project which is not constructed after being designed with federal transportation funds could be required to return the funds used for design to the Federal Highway Administration.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: The Pedestrian Design Assistance Program encourages implementation of the adopted MAG Pedestrian Area Policies and Design Guidelines, and provides demonstration projects for "best practice" pedestrian area policies and facilities. The Bicycle Design Assistance program uses national accepted practices.

POLICY: These programs encourage the development of facilities to encourage walking and bicycling.

ACTION NEEDED:

Approval of the following projects for funding from the Design Assistance Program: City of Scottsdale, 70th Street Pedestrian and Bicycle Connection (\$55,000); Town of Gilbert, Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000); Town of Gilbert, Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000); City of Peoria, New River Underpass at Olive Avenue (\$125,000).

PRIOR COMMITTEE ACTIONS:

On November 7, 2007, the Management Committee unanimously recommended approval of the following projects for funding from the Design Assistance Program: City of Scottsdale, 70th Street Pedestrian and Bicycle Connection (\$55,000); Town of Gilbert, Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000); Town of Gilbert, Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000); City of Peoria, New River Underpass at Olive Avenue (\$125,000).

MEMBERS ATTENDING

- | | |
|--------------------------------------|---|
| George Pettit, Gilbert, Acting Chair | Horatio Skeete for Ed Beasley, Glendale |
| Bridget Schwartz- Manock for | Mark Brown for Brian Dalke, Goodyear |
| Jan Dolan, Scottsdale, Chair | Mark Johnson, Guadalupe |
| Rogene Hill for Charlie McClendon, | Darryl Crossman, Litchfield Park |
| Avondale, Vice Chair | Scott Butler for Christopher Brady, Mesa |
| # Matthew Busby for George Hoffman, | Tom Martinsen, Paradise Valley |
| Apache Junction | Carl Swenson for Terry Ellis, Peoria |
| * Jeanine Guy, Buckeye | Karen Peters for Frank Fairbanks, Phoenix |
| * Jon Pearson, Carefree | # John Kross, Queen Creek |
| Wayne Anderson for Usama Abujbarah, | * Bryan Meyers, Salt River |
| Cave Creek | Pima-Maricopa Indian Community |
| Mark Pentz, Chandler | Jim Rumpeltes, Surprise |
| Dr. Spencer Isom for B.J. Cornwall, | Shelley Hearn for Tempe |
| El Mirage | * Reyes Medrano, Tolleson |
| Alfonso Rodriguez, Fort McDowell | # Gary Edwards, Wickenburg |
| Yavapai Nation | * Lloyce Robinson, Youngtown |
| Tim Pickering, Fountain Hills | # Dale Buskirk for Victor Mendez, ADOT |
| * Lynn Farmer, Gila Bend | * David Smith, Maricopa County |
| Pamela Johnson for Joseph Manuel, | Chris Curcio for David Boggs, |
| Gila River Indian Community | Valley Metro/RPTA |

* Those members neither present nor represented by proxy.

Participated by telephone conference call.

+ Participated by videoconference call.

On September 27, 2007, the Transportation Review Committee unanimously recommended approval of the following projects for funding from the Design Assistance Program: City of Scottsdale, 70th Street Pedestrian and Bicycle Connection (\$55,000); Town of Gilbert, Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000); Town of Gilbert, Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000); City of Peoria, New River Underpass at Olive Avenue (\$125,000).

MEMBERS ATTENDING

- | | |
|--|--------------------------------------|
| Maricopa County: John Hauskins | * Litchfield Park: Mike Cartsonis |
| * ADOT: Dan Lance | Mesa: Scott Butler for Jim Huling |
| * Avondale: David Fitzhugh | Paradise Valley: Robert M. Cicarelli |
| * Buckeye: Scott Lowe | Peoria: David Moody |
| Chandler: Patrice Kraus | Phoenix: Don Herp for Tom Callow |
| El Mirage: Lance Calvert for B.J. Cornwall | * Queen Creek: Mark Young |
| * Fountain Hills: Randy Harrel | RPTA: Bryan Jungwirth |
| * Gila Bend: Lynn Farmer | * Scottsdale: Mary O'Connor |
| Gila River: David White | Surprise: Randy Overmyer |
| Gilbert: Tami Ryall | Tempe: Carlos de Leon |
| Glendale: Terry Johnson | Valley Metro Rail: John Farry |
| Goodyear: Cato Esquivel | |
| Guadalupe: Jim Ricker | |

EX-OFFICIO MEMBERS ATTENDING

- * Regional Bicycle Task Force: Randi Alcott
- * Street Committee: Darryl Crossman

- * Pedestrian Working Group: Eric Iwersen
- * ITS Committee: Alan Sanderson

- * Members neither present nor represented by proxy. + - Attended by Videoconference
- Attended by Audioconference

On September 18, 2007, the MAG Pedestrian Working Group and the MAG Bicycle Task Force unanimously recommended approval of the following projects for funding from the Design Assistance Program: City of Scottsdale, 70th Street Pedestrian and Bicycle Connection (\$55,000); Town of Gilbert, Pedestrian Safety & Traffic Calming Demonstration Project (\$75,000); Town of Gilbert, Bicycle Crossing Safety and Improvement Demonstration Phase II Project (\$90,000); City of Peoria, New River Underpass at Olive Avenue (\$125,000).

MEMBERS ATTENDING

- Tami Ryall, Gilbert, Chair, Regional Bicycle Task Force and Acting Chair of the Pedestrian Working Group
- * Bruce Meyers, ADOA Gen. Services
- Michael Sanders, ADOT
- * Brian Fellows, ADOT
- Michael Eagan, ASLA, Arizona Chapter
- Margaret Boone-Pixley, Avondale
- * Michael Normand, Chandler
- Rich Rumer for Bill Lazenby, Coalition for Arizona Bicyclists
- Mark Smith, El Mirage

- # Steve Hancock, Glendale
- * Farhad Tavassoli, Goodyear
- * Michael Cartsonis, Litchfield Park
- Peggy Rubach, Maricopa County
- Jeff Sargent for Brandon Forrey, Peoria
- Katherine Coles, Phoenix
- * Srinivas Goundla, Phoenix
- * Troy White, Queen Creek
- Randi Alcott, RPTA
- Reed Kempton, Scottsdale
- * Eric Iwersen, Tempe
- * Lance Ferrell, Surprise

- * Those members neither present nor represented by proxy.
- # Members attending via audioconference.

CONTACT PERSON:

Maureen DeCindis, MAG, (602) 254-6300.

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

December 11, 2007

SUBJECT:

Approval of the MAG Regional Bikeway Master Plan

SUMMARY:

The FY 2005 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council, included \$150,000 of Congestion Mitigation and Air Quality (CMAQ) funding for the development of the MAG Regional Bikeway Master Plan. The MAG Regional Bikeway Master Plan updated and integrated previous plans and establishes the blueprint for an interconnected on-road and off-street bikeway system. A request for proposals was advertised on February 1, 2005 for consultant assistance. Sprinkle Consulting, Inc. was selected to develop the MAG Regional Bikeway Master Plan.

PUBLIC INPUT:

None has been received.

PROS & CONS:

PROS: The MAG Regional Bikeway Master Plan updated and integrated previous plans establishing the blueprint for an interconnected on-road and off-street bikeway system. The active living perspective incorporates health, economic advantage and improved quality of life issues within the region.

CONS: There are none.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: The MAG Regional Bikeway Master Plan update and integrated MAG's *1999 Regional Bicycle Plan, Alternative Solutions to Mid-Block Crossings* and the *2001 Regional Off-Street System Plan*.

POLICY: This MAG Regional Bikeway Master Plan will encourage more people to bicycle because the plan will focus on collector and neighborhood streets as well as bike lanes on arterial streets and paths on the canal system.

ACTION NEEDED:

Approval of the MAG Regional Bikeway Master Plan.

PRIOR COMMITTEE ACTIONS:

On November 7, 2007, the Management Committee unanimously recommended the MAG Regional Bikeway Master Plan for approval.

MEMBERS ATTENDING

George Pettit, Gilbert, Acting Chair
Bridget Schwartz- Manock for
Jan Dolan, Scottsdale, Chair
Rogene Hill for Charlie McClendon,
Avondale, Vice Chair
Matthew Busby for George Hoffman,
Apache Junction
* Jeanine Guy, Buckeye
* Jon Pearson, Carefree

Wayne Anderson for Usama Abujbarah, Cave Creek
Mark Pentz, Chandler
Dr. Spencer Isom for B.J. Cornwall, El Mirage
Alfonso Rodriguez, Fort McDowell Yavapai Nation
Tim Pickering, Fountain Hills
* Lynn Farmer, Gila Bend
Pamela Johnson for Joseph Manuel,
Gila River Indian Community
Horatio Skeete for Ed Beasley, Glendale

Mark Brown for Brian Dalke, Goodyear
Mark Johnson, Guadalupe
Darryl Crossman, Litchfield Park
Scott Butler for Christopher Brady, Mesa
Tom Martinsen, Paradise Valley
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Gary Edwards, Wickenburg
* Lloyce Robinson, Youngtown
Dale Buskirk for Victor Mendez, ADOT
* David Smith, Maricopa County
Chris Curcio for David Boggs, RPTA

* Those members neither present nor represented by proxy.

Participated by telephone conference call.

+Participated by videoconference call.

On September 27, 2007, the Transportation Review Committee unanimously recommended the MAG Regional Bikeway Master Plan for approval.

MEMBERS ATTENDING

Maricopa County: John Hauskins
*ADOT: Dan Lance
*Avondale: David Fitzhugh
*Buckeye: Scott Lowe
Chandler: Patrice Kraus
El Mirage: Lance Calvert for B.J. Cornwall
*Fountain Hills: Randy Harrel
*Gila Bend: Lynn Farmer
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Paradise Valley: Robert M. Cicarelli
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Phoenix: Don Herp for Tom Callow
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+ - Attended by Videoconference
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Peggy Rubach, Maricopa County
Jeff Sargent for Brandon Forrey, Peoria
Katherine Coles, Phoenix
*Srinivas Goundla, Phoenix
*Troy White, Queen Creek
Randi Alcott, RPTA
Reed Kempton, Scottsdale
*Eric Iwersen, Tempe
*Lance Ferrell, Surprise

* Those members neither present nor represented by proxy. ^ Members attending via audioconference.

CONTACT PERSON:

Maureen DeCindis, MAG, (602) 254-6300.

Maricopa Association of Governments

ARIZONA



REGIONAL BIKEWAY MASTER PLAN

2007



MAG Regional Bikeway Master Plan

2007

Prepared for the
Maricopa Association of Governments
302 North First Avenue, Suite 300
Phoenix, Arizona 85003

By

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Acknowledgements

The Maricopa Association of Governments would like to thank the following groups whose dedication and professionalism directed and contributed greatly to the production of this *Master Plan*:

1. MAG Bicycle Task Force for their detailed knowledge, direction, and support.
2. MAG Transportation Safety Committee for their engineering expertise.
3. All those who took time to contribute their personal knowledge and priorities of Regional bicycling concerns through the *Bicycle Use Questionnaire* thereby providing critical information to this *Master Plan*.
4. The Maricopa County Department of Transportation and Valley Metro for their partnership on the production and administration of the *Bicycle Use Questionnaire*.





Executive Summary

The Maricopa Association of Governments (MAG) *Regional Bikeway Master Plan* serves as a guide for improving, expanding, and connecting the MAG Region's bicycle facility network. MAG's member agencies collectively recognize the importance of bicycling to the Region's long-term mobility, livability, and air quality. Improving bicycling conditions leads to a better quality of life with economic and health benefits as a direct consequence. The provision of bikeways will support the concept of active transportation and will help residents get the exercise they need to maintain a healthier lifestyle. Improved quality of life will also create an attractive Regional community that will lure the employers and people who choose to live in locations who highly value bikeability, walkability, numerous travel options, clean air and water, and parks and preserves. Ultimately, the recommendations made in this *Plan* will support positive attitudes of the general public and elected officials toward supporting bicycling. The *Plan* can be used by MAG jurisdictions to act on behalf of all bicyclists' interests.

The *Regional Bikeway Master Plan* begins with a summary of Regional needs as derived from two sources:

- Web-based Questionnaire and
- MAG Bicycle Task Force input.

“Provide an interconnected Regional system of bikeways that contributes to a vibrant, healthy, livable community.”

Together, they identified numerous general and specific bicycle facility and program needs from improvements at mid-block path/trail crossings to better maps and brochures.

The Trends chapter discusses the current movements in land-use and transportation planning which place a greater emphasis on bicycle infrastructure and mobility, including “Smart Growth” and “Active





Transportation," and identifies bicycle practices locally and throughout the country. Special emphasis is placed on mid-block crossing treatment options that are being used within the MAG Region.

The Direction Chapter discusses the MAG Region's bicycle connectivity context and introduces the *Plan's* mission and goals. The *Plan's* mission states: "Provide an interconnected Regional system of bikeways that contributes to a vibrant, healthy, livable community." Based on this mission, a series of goals related to Access, Safety/Health/Education, Connectivity, User-Friendliness, and Implementation have been developed. These goals, combined with emerging trends, recommendations from previous documents, and the public input received throughout the planning process, provide focus for the remainder of the *Plan*. The goals are listed below:

Access

Access: Provide a convenient, easily accessible, and visible bicycle transportation system comprised of connected on-street and off-street

facilities within neighborhoods and jurisdictions.

Complete Streets: Design and maintain all streets to accommodate bicycles.

Safety/Health/Education

Safety: Develop a bicycle transportation system that increases user safety along routes and crossings by incorporating the American Association of State Highway Transportation Officials (AASHTO) bicycle facility design standards and the principles of CPTED (Crime Prevention through Environmental Design).

Health: Increase the proportion of citizens who engage in physical activity by making bicycling facilities easily accessible from their homes and linked to desired destinations.

Enforcement: Encourage law enforcement agencies to increase levels of enforcement of traffic laws most often violated by roadway users that affect bicycle use and to improve tolerance and courtesy among all roadway users.





Education: Encourage and support new and existing bicycle safety and education programs that promote bicycle use, user group compatibility, and enforcement of traffic rules.

Promotion: Provide user-friendly maps, brochures, and websites that clarify routes and encourage bicycle riding.

Encouragement: Promote bicycling as a means of personal mobility for local and daily travel trips for all purposes, and as a form of healthy recreation and exercise.

Connectivity

Connectivity: Inter-connect a system of on-street bike lanes and off-street shared-use paths/trails to origins, destinations, and transit routes and, as a consequence, make bicycling a viable option for daily travel trips for all purposes.

User-Friendliness

User-Needs: Provide a user need-based bicycle transportation system that is safe, convenient, well-maintained, well-signed, and attractive. The system should accommodate the various skills and

confidence levels of bicycle users and minimize potential conflicts with other users and vehicles.

End-of-Trip Provisions: Encourage bicycle riding by providing end-of-trip facilities that include bicycle parking, drinking water, toilets, showers, and lockers.

Implementation

Implementation Plan: Outline specific steps, timelines, policies, programs, and criteria for project selection to implement this *Plan*, thereby encouraging large-scale to spot-improvement projects.

Bicycle Friendly Policies: Institute bicycle-friendly policies in the systematic, everyday work of agencies at all levels of government.

Integrated Planning: Integrate bicycle transportation facilities into ongoing and future transportation, land use, and economic development plans created by public jurisdictions and private development.





Techniques and Tools: Develop techniques and tools that will assist MAG member agencies in implementing and prioritizing bicycle projects.

Maintenance & Operations: Develop guidelines for long-term local and Regional bikeway maintenance and operations programs.

External Funding: Increase bicycle facility development by exploring alternative funding and partnership opportunities with external organizations within the business and health communities among others.

Internal Funding: Increase bicycle facility development by developing alliances and integrated funding strategies between various public agencies such as transportation, flood control, parks and recreation, and health.

The treatments and solutions . . . are comparatively economical solutions that are relatively inexpensive and simple to implement.

The goals have also been re-created in a visual format to produce “Goals Illustrated,” which are stylized representations of ideal bicycle environments that portray the potential results of effective implementation. The treatments and solutions shown, which illustrate the true potential for bicycling in the Valley, are comparatively economical solutions that are relatively simple to implement.

Because of the *Plan*’s purpose of directing local jurisdictions as they seek to improve bicycling conditions in their communities, Chapter 6 of the *Plan* consists of site-specific improvement examples. The core of the *Plan* is the recommended policies and programs section in Chapter 7: Action, which also includes the Action Plan and associated timetable. Within the Action Plan, the following policy and program recommendations are made:

- Incorporate the concepts of routine accommodation and complete streets into the planning of all roadways.
- Connect all on-street and off-street bicycle and pedestrian facilities within and between jurisdictions.





- Develop and adopt restriping policies for roadway segments where excess pavement is available.
- Create space for grade-separated shared use path crossings where streets intersect washes and other similar features.
- When grade-separation is not feasible, provide appropriate at-grade mid-block crossing treatments that will alert and enable motorists to fulfill their obligation to yield to bicyclists and pedestrians resulting in a greater sense of security, comfort, and convenience to the path user.
- Accommodate bicyclists with facilities at freeway interchanges and create new connections at freeways where feasible.
- Accommodate bicyclists along freeway corridors.
- Require end-of-trip bicycle facilities (e.g., parking, lockers, and showers) at all new commercial developments or implement developer incentives to conduct such facilities.
- Develop and promote bicycle events to increase awareness of bicycling as a viable mode of transportation.
- Create a Regional interactive bike route mapping website.

- Gather citizen input on bicycle related planning, programs, and projects through a web-based interactive questionnaire.

The *Plan* concludes with recommendations related to project funding. A new bicycle project evaluation form has been developed to assist the MAG Regional Bicycle Task Force to make funding decisions for submitted bicycle-related projects. This form may also be helpful to local jurisdictions as they seek to develop and evaluate their own potential projects. In addition, numerous potential funding sources (Federal, State, Regional, local, and private) have been identified to ensure that as many bicycle projects as possible can ultimately be funded and implemented.

The Appendix includes bibliographies and information sources, more detailed information on the Plan's public questionnaire, and a discussion on Travel Demand.





TRANSPORTATION DIVISION

Arterial Life Cycle Program (ALCP) – *Status Report*

July – September 2007

ALCP Project Status: July - September 2007

The start of Fiscal Year 2008 (FY08) marked the beginning of the second full fiscal year of the implementation for the Arterial Life Cycle Program (ALCP). In FY08, 39 projects are programmed for work, and \$75 million is programmed for reimbursement. Table 1 summarizes the status of current and advanced projects programmed for Fiscal Year 2008.

During the first quarter of the FY08, MAG received 2 Project Overviews for segments of El Mirage Road. MAG initiated 2 Projects Agreements and finalized a third for the Power Rd.: Baseline Rd. to East Maricopa Floodway (EMF) project. MAG also received four Project Reimbursement Requests (PRRs) seeking reimbursement for ALCP Project expenditures. The Lead Agencies were reimbursements for \$3.897 million in the first quarter of FY08. To date, MAG has reimbursed Lead Agencies for \$28.596 million in ALCP Project expenditures.

Please note, the January – June 2007 Status Report listed the amount paid to date as \$21 million. After the report was published, MAG Staff noted that a reimbursement was improperly recorded. The issue has since been rectified. The amounts listed in the current status report are accurate.

ALCP UPDATE

Proposed updates to the MAG Transportation Improvement Program (TIP) and Arterial Life Cycle Program started through the MAG Committee Process at the Transportation Review Committee meeting on September 27, 2007. Amendments and modifications to ALCP projects varied. The most common change required a shift in the project schedules to a later fiscal year. Other changes included the redistribution of allocated funding for a project from one work phase to another and minor administrative corrections.

Tables 2A and 2B list the proposed updates, which would affect the ALCP approved on June 28, 2007. Table 2A addresses amendments and modifications to the TIP and the ALCP. Table 2B only addresses changes to the FY2008 ALCP. The updates will be presented to the Regional Council Meeting on October 24, 2007 for approval. Once approved, the adjusted ALCP will be published on the MAG website and disseminated to the MAG member agencies.

ALCP REVENUE AND FINANCE

The ALCP receives dedicated sales tax revenues (RARF) for transportation improvements to the arterial road network in Maricopa County. RARF revenues are deposited into the arterial account on a monthly basis. Although, \$10 million was collected for the ALCP in the first quarter of Fiscal Year 2008, revenues were noticeably lower than forecasted. Revenues collected during the first quarter of FY08 are provided in Table 3. Actual revenue collected is compared to estimated revenues in Table 4.

ALCP POLICIES AND PROCEDURES

The ALCP Policies and Procedures ("Policies") guide the implementation of the Arterial Life Cycle Program. The current Policies were approved through the MAG Committee Process on December 13, 2006. Towards the end of August, MAG Staff began revising the current Policies. Proposed Revisions included adding a new section on RARF Closeout Policies and removing requirements for QA/QC meetings throughout ALCP Project implementation.

On September 6, 2007, the ALCP Working Group met at the MAG Offices to discuss the proposed changes. During the meeting, MAG Staff solicited input on potential revisions. After the meeting, the comments were incorporated into a draft version of the Policies. Working Group members provided additional feedback and suggestions via email, which were later addressed by MAG Staff.

The revised ALCP Policies and Procedures will begin the approval process at the Transportation Review Committee Meeting on October 25, 2007. To obtain a copy of the ALCP Policies and Procedures DRAFT, please contact Christina Hopes at chopes@mag.maricopa.gov.

ALCP GUIDEBOOK

MAG Staff has developed an ALCP Guidebook to provide guidance and essential information about the Arterial Life Cycle Program. The Guidebook contains the original list of ALCP Projects, the ALCP Schedule, and the FY08 approved ALCP. In addition, the Guidebook includes copies of the Project Overview and Project Reimbursement Request Forms, a sample Project Agreement, and other helpful resources. The ALCP Guidebook may be downloaded from the MAG ALCP Website. Hard copies may be requested by contacting Christina Hopes at chopes@mag.maricopa.gov.

WHAT YOU SHOULD KNOW ABOUT COMPLETING THE PROJECT OVERVIEW FORM...

There are three key Project Requirements for each ALCP Project: the Project Overview, the Project Agreement, and Project Reimbursement Request(s). A Project Overview and signed Project Agreement must be on file with MAG before any reimbursements will be issued. Completing these requirements in a timely fashion ensures that the Lead Agencies will be promptly reimbursed for eligible ALCP Project expenditures.

At MAG, we have noticed that submitted Project Overview forms often need to be revised prior to being accepted. The need for these revisions can be reduced by following a few simple tips.

Tip #1: Use the correct Project Id number as listed in the approved ALCP

Tip #2: Include all MAG TIP numbers related to the project on the form

Tip #3: When completing the "Project Regional Funding" information on the first page of the form, indicate the version of the ALCP you are using (both FY and date approved). Figures listed must match those listed in the ALCP specified.

Tip #4: The budget summary table as included in the form must be completed for each Project Overview. Incomplete or inaccurate tables will be returned to the Lead Agency for revisions.

Tip #5: The regional share in the budget summary table should equal 70% of the eligible Project Expenditures or the maximum amount listed in the ALCP, whichever is less.

MAG Staff welcomes questions and feedback on any ALCP Project Requirement and encourages the use of the most recent version of the TIP and ALCP to complete the Project Overview form.

Please contact Christina Hopes at chopes@mag.maricopa.gov if you are not sure what the most recent version is, would like to request a copy of the currently approved version, or have any questions about completing the form.

This is the seventh Status Report for the Arterial Life Cycle Program (ALCP). Each quarter, MAG staff will provide member agencies with an update on the projects in the ALCP. As the program progresses, the information provided in this report will be updated. This report and all other ALCP information are available online at <http://www.mag.maricopa.gov/project.cms?item=5034>.

TABLE 1
ARTERIAL STREET LIFE CYCLE PROGRAM
July - September 2007, Project Status of Projects Underway
(2007 and Year of Expenditure, Dollars in Millions, Consistent with the FY08 - June 27, 2007 ALCP)

| Lead Agency & Facility | Project Requirement PO = Project Overview, PA = Project Agreement | Status S=Study, P=Pre-Design, D=Design, R=ROW, C=Const, C/O=Closed out | Regional Funding Reimbursements | | | Total Expenditures (Exp.) | | FY(s) for Reimb. | FY for Final Constr. | Other Project Information |
|---|---|---|---------------------------------|---|----------------|-----------------------------|---|----------------------|----------------------|--|
| | | | Programmed Reimb. FY08 | Estimated Future Reimb. FY 2009-2026 (2007\$) | Reimb. To Date | Exp. through FY 2008 (YOES) | Estimated Future Exp. FY 2009-2026 (2007\$) | | | |
| CHANDLER | | | | | | | | | | |
| Chandler Blvd/Alma School: Intersection Improvements | | D | 0.342 | 3.24 | | | | 2008-2010 | 2010 | |
| Chandler Blvd. at Dobson Rd. | PO, PA | C | 3.564 | | 0.017 | 0.428 | 7.636 | 2007-2008 | 2008 | The study is 100% complete and design is underway. |
| Gilbert Rd: Loop 202 to Queen Creek Rd.- Segment A | PO, PA | D, R | | 6.533 | | | 11.874 | 2021 | 2008 | This segment has been advanced. Design will begin in FY07. |
| Queen Creek Rd.: Arizona Ave. to McQueen Rd. - Segment A | PO | C | | 4.164 | | | 9.597 | 2012 | 2008 | |
| Queen Creek Rd: McQueen Rd to Lindsay Rd | | D | | 11.542 | | | | 2011-2012 | 2010 | |
| Ray at Alma School Rd. | PO, PA | D, R | 2.144 | 1.439 | | | 9.709 | 2008-2009 | 2009 | |
| FOUNTAIN HILLS | | | | | | | | | | |
| Shea Blvd: Palisades Blvd to Saguaro Blvd | | D | 0.809 | 4.97 | | | | 2008-2010 | 2010 | |
| GILBERT | | | | | | | | | | |
| Guadalupe/Power: Intersection Improvements | | D | | 3.582 | | | | 2010 | 2010 | |
| Power Rd at Pecos: Intersection Improvement | | D, R | 5.138 | | | | | 2008 | 2008 | |
| Val Vista Rd: Warner Rd. to Pecos Rd. | PO, PA | C/O | 3.582 | 3.351 | 7.046 | 15.271 | | 2007-2008, 2014 | 2006 | Project Complete. |
| Warner Rd. at Cooper Rd. | | R, C | 3.583 | | | | | 2007-2008 | 2008 | |
| MARICOPA COUNTY | | | | | | | | | | |
| Dobson Rd, Gilbert Rd, McKellips Rd: Bridge over Salt River | | S | | 44.261 | | | | 2010-2011, 2015 | 2012 | Three ALCP Bridge Projects are being studied together. |
| El Mirage Rd: Jomax Rd. to Northern Ave. - All Segments | | S, D | 1.088 | 54.893 | | | | 2008-2010, 2013-2018 | 2018 | Two El Mirage Projects are being studied as a corridor. |
| Northern Ave.: Dysart Rd. to SR-303L - PHASE 1 | | P, D, R | 19.666 | 38.116 | | | 104.4 | 2007-2011 | 2011 | |
| M.C./MESA | | | | | | | | | | |
| Power Rd: East Maricopa Floodway (EMF) to Galveston - Segment A | | D, R | 2.5 | 7.235 | | | | 2008-2009 | 2009 | |
| Power Rd: Baseline Rd to East Maricopa Floodway (EMF) - Segment B | PO, PA | D, C, R | 7.485 | | | | 15.254 | 2008 | 2009 | |

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| Lead Agency & Facility | Project Requirement PO = Project Overview, PA = Project Agreement | Status S=Study, P=Pre-Design, D=Design, R=ROW, C=Const, C/O=Closed out | Regional Funding Reimbursements | | | Total Expenditures (Exp.) | | FY(s) for Reimb. | FY for Final Constr. | Other Project Information |
|---|---|---|---------------------------------|---|----------------|------------------------------|---|------------------|----------------------|--|
| | | | Programmed Reimb. FY08 | Estimated Future Reimb. FY 2009-2026 (2007\$) | Reimb. To Date | Exp. through FY 2008 (YOE\$) | Estimated Future Exp. FY 2009-2026 (2007\$) | | | |
| MESA | | | | | | | | | | |
| Broadway Rd: Dobson Rd. to Country Club Dr. | PO, PA | D | 1.453 | 5.596 | | | 14.962 | 2008-2010 | 2010 | |
| Country Club Dr. at University Dr. | PO, PA | D, R | | 2.658 | | | 6.995 | 2017 | 2009 | |
| Dobson Rd. at Guadalupe Rd. | PO, PA | D, R | 0.64 | 2.017 | 0.077 | 0.110 | 3.841 | 2008-2009 | 2009 | Design 30% Complete |
| Gilbert Rd at University Dr. | PO, PA | C | | 2.658 | | | 8.100 | 2021 | 2008 | |
| Greenfield Rd: Baseline Rd. to Southern - Segment A | PO, PA | R, C | 4.991 | | | | 5.402 | 2008 | 2008 | |
| McKellips Rd: McKellips/Lindsay Intersection Improvement | PO, PA | D | 0.403 | 5.652 | | | 8.386 | 2008-2010 | 2010 | |
| Mesa Dr: Southern to US 60 | PO, PA | D | 1.303 | 6.774 | | | 16.800 | 2008-2010 | 2010 | |
| McKellips/Greenfield, McKellips/Higley, and McKellips/Val Vista Intersection Improvements | PO, PA | P | 0.119 | 8.215 | 0.119 | 0.170 | 11.517 | 2008, 2011-2013 | 2013 | |
| Southern Ave: Country Club Dr at Stapley | PO, PA | P | 0.119 | 12.037 | 0.119 | 0.170 | 16.800 | 2008-2011 | 2011 | |
| Thomas Rd: Gilbert Rd. to Val Vista Dr. | | D | 1.684 | 3.632 | | | 7.269 | 2008-2009 | 2009 | |
| PEORIA | | | | | | | | | | |
| Beardsley Road Project | PO | C | | 22.073 | | | 30.700 | 2011-2012 | 2009 | Design is underway and reimbursement will be in Phase 2. |
| Happy Valley Rd: Lake Pleasant Pkwy to Terramar Blvd-Segment A | PO, PA | C | | 6.549 | | | 47.200 | 2021 | 2008 | Design is underway. |
| PHOENIX | | | | | | | | | | |
| Happy Valley Rd: I-17 to 35th Avenue | PO, PA | C/O | | 5.439 | | 7.648 | | 2022 | 2005 | The Project is complete. |
| Happy Valley Rd: 35th Avenue to 43rd | | D | | 4.045 | | | 2.738 | 2022 | 2011 | |

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|---|---|---|---------------------------------|---|----------------|------------------------------|---|------------------|----------------------|---------------------------|
| | | | Programmed Reimb. FY08 | Estimated Future Reimb. FY 2009-2026 (2007\$) | Reimb. To Date | Exp. through FY 2008 (YOE\$) | Estimated Future Exp. FY 2009-2026 (2007\$) | | | |
| SCOTTSDALE | | | | | | | | | | |
| SR-101L North Frontage Rd: Hayden to Scottsdale Rd-Segment A | PO | R, C | 6.707 | | | | 8.729 | 2008 | 2008 | |
| SR-101L North Frontage Rd: Pima Rd/Princess Dr to Hayden | | P, D, R | 1.233 | 14.135 | | | | 2008-2009 | 2009 | |
| SR-101L South Frontage Rd: Hayden to Pima | | P, D | 0.705 | 12.47 | | | | 2008-2010 | 2010 | |
| Pima Rd: McKellips to Via Linda | | P | | 29.123 | | | | 2009-2011 | 2011 | |
| Pima Rd: Thompson Peak Parkway to Pinnacle Peak | | C | | 12.959 | | | | 2011 | 2008 | |
| Scottsdale Rd: Thompson Peak Pkwy to Pinnacle Peak - Segments A and B | | D, R | | 12.712 | | | | 2011, 2013 | 2015 | |
| Shea Blvd: SR-101L to SR-87 - All Segments | | D, R, C | | 22.073 | | | | 2021-2024 | 2008 | |

Table 2A
TIP FY2008-2012 Administrative Modifications

| Project # | Agency | Project Location | Project Description | Fiscal Year | Length | Fund Type | Local Cost | Regional Cost | Total Cost | Requested Change |
|--------------|--------|--|---|-------------|--------|-----------|---------------|---------------|---------------|--|
| MES110-08RW | Mesa | Dobson Rd at Guadalupe Rd | Acquire right of way for intersection improvement | 2009 | 1 | RARF | \$ 101,000 | \$ 496,000 | \$ 597,000 | Change year from 2008 to 2009 - ALCP Adjustment |
| MES120-08C | Mesa | Greenfield Rd: Baseline Rd to Southern Ave | Construct roadway widening | 2009 | 1 | RARF | \$ 1,690,000 | \$ 3,941,000 | \$ 5,631,000 | Change year from 2008 to 2009 - ALCP Adjustment |
| MES125-07P | Mesa | Greenfield Rd: Southern Ave to University Dr | Pre-design roadway widening | 2012 | 2 | RARF | \$ 124,000 | \$ 290,000 | \$ 414,000 | Change year from 2010 to 2012 - ALCP Amend. |
| MES125-08D | Mesa | Greenfield Rd: Southern Ave to University Dr | Design roadway widening | 2013 | 2 | RARF | \$ 124,000 | \$ 290,000 | \$ 414,000 | Change year from 2011 to 2013 - ALCP Amend |
| MES125-09RW | Mesa | Greenfield Rd: Southern Ave to University Dr | Acquire right of way for roadway widening | 2014 | 2 | RARF | \$ 3,620,000 | \$ 1,551,000 | \$ 5,171,000 | Change year from 2012 to 2014 - ALCP Amend |
| MES190-07D | Mesa | Thomas Rd: Gilbert Rd to Val Vista Dr | Design roadway widening | 2009 | 2 | RARF | \$ 154,000 | \$ 357,000 | \$ 511,000 | Change year from 2008 to 2009 - ALCP Adjustment |
| MES190-08RW | Mesa | Thomas Rd: Gilbert Rd to Val Vista Dr | Acquire right of way for roadway widening | 2009 | 2 | RARF | \$ 569,000 | \$ 1,327,000 | \$ 1,896,000 | Change year from 2008 to 2009 - ALCP Adjustment |
| MES240-06AD | Mesa | Power Rd: East Maricopa Floodway to Galveston Rd | Pre-Design and Design roadway widening | 2008 | 3.5 | RARF | \$ 607,000 | \$ 1,416,000 | \$ 2,023,000 | Change description and funding amounts to include pre design - ALCP Amend. |
| MES240-07ARW | Mesa | Power Rd: East Maricopa Floodway to Galveston Rd | Acquire right of way for roadway widening | 2009 | 3.5 | RARF | \$ 819,000 | \$ 1,913,000 | \$ 2,732,000 | Change year from 2008 to 2009 and funding amounts - ALCP Amend. |
| MES240-08P | Mesa | Power Rd: East Maricopa Floodway to Galveston Rd | Pre-design roadway widening | 2008 | 3.5 | RARF | \$ 161,000 | \$ 374,000 | \$ 535,000 | Delete project and consolidate into MES240-06AD - ALCP Adjustment |
| MES240-09AC | Mesa | Power Rd: East Maricopa Floodway to Galveston Rd | Construct roadway widening | 2009 | 3.5 | RARF | \$ 4,121,000 | \$ 6,405,000 | \$ 10,526,000 | Change funding amounts - ALCP Amend. |
| MES300-08ARW | Mesa | Country Club at University | Advance acquire right of way for intersection improvement for reimbursement in 2017 | 2009 | 1 | Sales Tax | \$ 1,426,000 | \$ - | \$ 1,426,000 | Change year from 2008 to 2009 and funding amounts - ALCP Amend. |
| MES450-07AC | Mesa | Gilbert Rd at University Dr | Advance construct intersection improvement for reimbursement in 2021 | 2009 | 1 | Sales Tax | \$ 10,693,000 | \$ - | \$ 10,693,000 | Change year from 2008 to 2009 - ALCP Adjustment |

Table 2B
ALCP - Amendments & Administrative Modifications (Do not apply to the TIP)

| Project # | Agency | Project Location | Project Description | Fiscal Year | Length | Fund Type | Local Cost | Regional Cost | Total Cost | Requested Change |
|-----------------|--------|--|--|-------------|--------|-----------|----------------|---------------|---------------|--|
| ACI-HWS-10-03-C | Mesa | Hawes: Elliot to Santan | Construct roadway widening | 2024 | 2 | RARF | \$ 1,034,000 | \$ 2,412,000 | \$ 3,446,000 | Administrative error, change reimbursement date from 2021 to 2024 to match when construction will be complete. |
| MES125-10C | Mesa | Greenfield Rd: Southern Ave to University Dr | Construct roadway widening | 2015 | 2 | RARF | \$ 11,941,000 | \$ 3,059,000 | \$ 15,000,000 | Change year from 2013 to 2015 |
| PEO100-05ADX | Peoria | Beardsley Rd Connection: Loop 101 (Agua Fria Fwy) to Beardsley Rd at 83rd Ave/Lake Pleasant Pkwy | Reimbursement of advance design for new frontage road and bridges completed in 2007 | 2011 | 2 | RARF | \$ (1,616,000) | \$ 1,616,000 | \$ - | Change amounts in ALCP - Calculation error |
| PEO100-06ARWX1 | Peoria | Beardsley Rd Connection: Loop 101 (Agua Fria Fwy) to Beardsley Rd at 83rd Ave/Lake Pleasant Pkwy | Reimbursement 1 of 2 of advance right of way acquisition for new frontage road and bridges completed in 2008 | 2011 | 2 | RARF | \$ (2,832,000) | \$ 2,832,000 | \$ - | Change amounts in ALCP - Calculation error |
| PEO100-07ACX1 | Peoria | Beardsley Rd Connection: Loop 101 (Agua Fria Fwy) to Beardsley Rd at 83rd Ave/Lake Pleasant Pkwy | Reimbursement 1 of 2 of advance construction for new frontage road and bridges completed in 2009 | 2011 | 2 | RARF | \$ (7,397,000) | \$ 7,397,000 | \$ - | Change amounts in ALCP - Calculation error |
| PEO100-07ACX2 | Peoria | Beardsley Rd Connection: Loop 101 (Agua Fria Fwy) to Beardsley Rd at 83rd Ave/Lake Pleasant Pkwy | Reimbursement 2 of 2 of advance construction for new frontage road and bridges completed in 2009 | 2012 | 2 | RARF | \$ (7,397,000) | \$ 7,397,000 | \$ - | Change amounts in ALCP - Calculation error |
| PEO100-07ARWX2 | Peoria | Beardsley Rd Connection: Loop 101 (Agua Fria Fwy) to Beardsley Rd at 83rd Ave/Lake Pleasant Pkwy | Reimbursement 2 of 2 of advance right of way acquisition for new frontage road and bridges completed in 2008 | 2012 | 2 | RARF | \$ (2,832,000) | \$ 2,832,000 | \$ - | Change amounts in ALCP - Calculation error |

| Table 3. Regional Area Road Fund (RARF) Collections July - September 2007 | | | | |
|--|---------------|------------------|---------------|-------------------|
| | Freeways | Arterial Streets | Transit | Prop. 400 (total) |
| July | \$ 18,885,497 | \$ 3,528,429 | \$ 11,190,161 | \$ 33,604,087 |
| August | \$ 17,440,380 | \$ 3,258,434 | \$ 10,333,891 | \$ 31,032,705 |
| September | \$ 17,351,147 | \$ 3,241,762 | \$ 10,281,018 | \$ 30,873,927 |
| Total | \$ 53,677,024 | \$ 10,028,626 | \$ 31,805,070 | \$ 95,510,719 |

| Table 4. Regional Area Road Fund (RARF) Collections Estimate v. Actual (July-September 2007) | | | |
|---|---------------------|-------------------|--------------|
| | Estimate Total RARF | Actual Total RARF | % Difference |
| July | \$ 34,833,333 | \$ 33,604,087 | -3.5% |
| August | \$ 34,833,333 | \$ 31,032,705 | -10.9% |
| September | \$ 34,833,333 | \$ 30,873,927 | -11.4% |
| Total | \$ 104,500,000 | \$ 95,510,719 | -8.6% |

| Fiscal Year 2007-2008 Arterial Life Cycle Program Schedule | |
|--|--|
| Please Note: ALCP Administrative Adjustments and ALCP Amendments will go through the MAG Committee Process as necessary, as part of a transportation project change agenda item for required action. | |
| November/ December | Release ALCP project information for annual ALCP update |
| December | Lead Agencies and MAG Staff work on updating project information |
| January | 7th Information due for ALCP projects in 2008-2013 for the TIP Report |
| | ALCP Status Report for the Transportation Review Committee* |
| February | 8th Information due for ALCP projects in 2014-2026 for the RTP Update |
| | ALCP Status Reports for the Management and Transportation Policy Committees and the Regional Council* |
| | Transportation Review Committee recommends the TIP Report and RTP Update |
| March | Management and Transportation Policy Committees and the Regional Council recommend the TIP Report and RTP Update |
| April | Final review of updated information for FY08 ALCP by the ALCP Working Group |
| April/May | TIP Report and RTP Update undergo Air Quality Conformity Analysis |
| May | Present Draft FY2009 ALCP to the Transportation Review Committee |
| June | Present Draft FY2009 ALCP and FY2009 ALCP Schedule to the Management and Transportation Policy Committees and the Regional Council |

* Dates are subject to change

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

December 11, 2007

SUBJECT:

Update to the Arterial Life Cycle Program Policies and Procedures

SUMMARY:

The Arterial Life Cycle Program (ALCP) is a key part of Proposition 400 and represents more than \$1.6 billion of regional investment over the next 20 years. The ALCP Policies and Procedures provide guidance to MAG and to MAG member agencies to ensure that the program is implemented in an efficient and effective manner. Revisions are now required to the ALCP Policies and Procedures that were approved by the MAG Regional Council on December 13, 2006. The proposed revisions include a new section on Regional Area Road Fund (RARF) closeout policies and other minor technical refinements.

MAG staff and the ALCP Working Group met on September 6, 2007 to discuss and develop the suggested technical changes to the December 13, 2006 ALCP Policies and Procedures. A draft version of the suggested changes was disseminated via email to the ALCP Working Group for additional review and comments.

The section on the ALCP RARF closeout establishes policies for determining the availability of funds used in the ALCP RARF closeout process, project eligibility requirements and deadlines, and the prioritization of eligible projects that may receive ALCP RARF closeout funds.

The technical refinements to the ALCP Policies and Procedures include certifying the revenues and regional reimbursement costs in the ALCP Report, removing the requirement for QA/QC meetings, and modifying the inflation factor used for ALCP calculations.

Text added to the approved December 13, 2006 ALCP Policies and Procedures is in **bold underline**. Text removed from the December 13, 2006 ALCP Policies and Procedures is noted in **~~bold-strikeout~~**.

PUBLIC INPUT:

There were no public comments at the October 25, 2007 Transportation Review Committee meeting or at the November 7, 2007 Management Committee meeting. An opportunity for public comment will be provided at the December 12, 2007 Transportation Policy Committee meeting.

PROS & CONS:

PROS: Once the changes to the ALCP Policies and Procedures are approved, MAG staff may reimburse jurisdictions for completed projects with funds programmed for reimbursement. If not approved, MAG staff and involved jurisdictions will not have complete policies and procedures to address programmed funds unused by the end of the given fiscal year.

CONS: There are no cons to approving the proposed changes to the December 13, 2006 ALCP Policies and Procedures.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: MAG will be able to continue implementation of the ALCP.

POLICY: A.R.S. 28-6352 (B) required that MAG performs life cycle management for the arterial street component of the RTP.

ACTION NEEDED:

Approval of the proposed changes to the previously approved December 13, 2006 ALCP Policies and Procedures.

PRIOR COMMITTEE ACTIONS:

Transportation Policy Committee: This item is on the December 12, 2007 Transportation Policy Committee agenda. An update will be provided on action taken by the Committee.

The Management Committee recommended approval of the proposed changes to the ALCP Policies and Procedures on November 7, 2007.

MEMBERS ATTENDING

George Pettit, Gilbert, Acting Chair
 Bridget Schwartz- Manock for
 Jan Dolan, Scottsdale, Chair
 Rogene Hill for Charlie McClendon,
 Avondale, Vice Chair
 # Matthew Busby for George Hoffman,
 Apache Junction
 * Jeanine Guy, Buckeye
 * Jon Pearson, Carefree
 Wayne Anderson for Usama Abujbarah,
 Cave Creek
 Mark Pentz, Chandler
 Dr. Spencer Isom for B.J. Cornwall, El Mirage
 Alfonso Rodriguez, Fort McDowell
 Yavapai Nation
 Tim Pickering, Fountain Hills
 * Lynn Farmer, Gila Bend
 Pamela Johnson for Joseph Manuel,
 Gila River Indian Community
 Horatio Skeete for Ed Beasley, Glendale
 * Those members neither present nor represented by proxy.
 # Participated by telephone conference call.

Mark Brown for Brian Dalke, Goodyear
 Mark Johnson, Guadalupe
 Darryl Crossman, Litchfield Park
 Scott Butler for Christopher Brady, Mesa
 Tom Martinsen, Paradise Valley
 Carl Swenson for Terry Ellis, Peoria
 Karen Peters for Frank Fairbanks, Phoenix
 # John Kross, Queen Creek
 * Bryan Meyers, Salt River
 Pima-Maricopa Indian Community
 Jim Rumpeltes, Surprise
 Shelley Hearn for Tempe
 * Reyes Medrano, Tolleson
 # Gary Edwards, Wickenburg
 * Lloyce Robinson, Youngtown
 # Dale Buskirk for Victor Mendez, ADOT
 * David Smith, Maricopa County
 Chris Curcio for David Boggs, RPTA

+ Participated by videoconference call.

The Transportation Review Committee recommended approval of the proposed changes to the ALCP Policies and Procedures on October 25, 2007.

MEMBERS ATTENDING

Phoenix: Tom Callow, Chair
 * ADOT: Dan Lance
 Avondale: David Fitzhugh
 # Buckeye: Scott Lowe
 Chandler: Patrice Kraus
 El Mirage: Lance Calvert for B.J. Cornwall
 Fountain Hills: Randy Harrel
 * Gila Bend: Lynn Farmer
 * Gila River: David White
 * Gilbert: Tami Ryall
 Glendale: Terry Johnson
 Goodyear: Cato Esquivel

Guadalupe: Jim Ricker
 * Litchfield Park: Mike Cartsonis
 Maricopa County: Mike Sabatini for John
 Hauskins
 Mesa: Scott Butler for Jim Huling
 Paradise Valley: Robert M. Cicarelli
 Peoria: David Moody
 # Queen Creek: Mark Young
 RPTA: Bob Antila for Bryan Jungwirth
 Scottsdale: David Meinhart for Mary O'Connor
 Surprise: Randy Overmyer
 # Tempe: Carlos de Leon
 Valley Metro Rail: John Farry

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Randi Alcott
 *Street Committee: Darryl Crossman

*Pedestrian Working Group: Eric Iwersen
 *ITS Committee: Alan Sanderson

* Members neither present nor represented by proxy.

+ - Attended by Videoconference
 # - Attended by Audioconference

CONTACT PERSON:

Christina Hopes, Transportation Planner II, 602.254.6300, chopes@mag.maricopa.gov

ARTERIAL LIFE CYCLE PROGRAM

POLICIES AND PROCEDURES



Update to the December 13, 2006

MARICOPA ASSOCIATION OF GOVERNMENTS

PLEASE NOTE:

Text added to the DRAFT Policies are **bold underlined**

Text removed from the DRAFT Policies are **~~bold strikeout~~**

Sections that have been relocated will mention the section's previous location below in parentheses.

For Example:

Section 260

(Previously Section 250)

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BACKGROUND

In 2004, the Maricopa Association of Governments (MAG) initiated the development of the Arterial Life Cycle Program (ALCP, or the “Program”) to provide management and oversight for the implementation of the arterial component of the Regional Transportation Plan (RTP, or the “Plan”). MAG is the designated Metropolitan Planning Organization (MPO) for the Maricopa region. MAG serves the role designated in ARS: 28-6308 as the “regional planning agency” for this region.

The Policies and Procedures were developed in coordination with the Transportation Review Committee in workshops held in 2004 and early 2005 and are consistent with the requirements in House Bill 2456, passed in 2004 in association with the development of the Regional Transportation Plan (RTP) and Proposition 400. The Transportation Policy Committee reviewed and recommended the Policy and Procedures for approval on June 21, 2006. The Regional Council approved the Policies and Procedures on June 28, 2006.

The ALCP relies upon two main elements:

1. Policies, which provide direction to decisions and processes, in conjunction with procedures, which specify the steps needed to implement these specified policies; and,
2. Project Agreements (PA), which define the roles and requirements for agencies participating in the implementation of each Project.

I. ARTERIAL LIFE CYCLE PROGRAM MANAGEMENT AND ADMINISTRATION

SECTION 100: PROGRAM OBJECTIVES

A. The ALCP has five key objectives:

1. Effective and Efficient Implementation of the RTP: Facilitate the effective and efficient implementation of the arterial component of the RTP. In support of this objective, the Program should:
 - a. Ensure Projects are implemented in a manner consistent with the RTP, including any updates or amendments;
 - b. Include the means to track Project implementation against requirements established in the RTP and the ALCP; and,
 - c. Be administratively simple.
2. Fiscal Integrity: Ensure the fiscal integrity of the regionally funded arterial component of the RTP. In support of this objective, the Program should:
 - a. Establish comprehensive financial and reporting requirements for each Project; and
 - b. Coordinate with the RTP and the other modal programs on key financial, accounting and reporting policies, procedures and practices.
3. Accountability: Provide the means to track and ensure effective and efficient Project implementation. In support of this objective, the Program should:
 - a. Employ comprehensive Project Agreements, or other legal instruments, that detail agency roles and responsibilities in the implementation of specific Projects; and
 - b. Provide the means within each Project Agreement, Project Overview and Project Reimbursement Request to track Project implementation, performance and successful completion of individual Projects and the Program.
4. Transparency: Provide members of the public, elected officials, stakeholders, participating agencies and others with ready access to information on the Program and on each Project. In support of this objective, the Program should:
 - a. Include substantial public and stakeholder consultation as part of the implementation process for each Project; and
 - b. Require that material changes to Projects in the Program be subject to public and stakeholder consultation through the MAG Committee Process as well as any other consultation processes, including within the community or communities affected, as specified in the associated Project Agreements.
5. Compliance: Comply with all applicable federal, state and local requirements in the implementation of Projects.

B. Consistency with the RTP generally means that an ALCP Project meets Project the eligibility requirements specified in Section 300, the Project regional reimbursement is fiscally constrained, and the reimbursement is in the original RTP phase.

C. The Program must be flexible and allow adjustments as needed in support of meeting the key objectives.

SECTION 110: APPLICABILITY OF ARTERIAL LIFE CYCLE PROGRAM POLICIES AND PROCEDURES

- A. The requirements established in this document are limited to arterial street Projects (including arterial intersections) as specified in the RTP that receive regional funds, including federal, state and regional (including half-cent) funds.
- B. Projects receiving any federal funding in the ALCP must satisfy all federal requirements in addition to the requirements established in this document.
 - 1. Only select Projects will have federal funding allocated to them. Those that do will be identified and the Lead Agency designated for that Project will work with MAG and the ADOT Local Government Section to ensure conformity to federal and ALCP requirements.
- C. To make changes to the ALCP Policies and Procedures:
 - 1. MAG staff will suggest new provisions, additions and revisions to the ALCP Policies and Procedures, when necessary.
 - 2. Member agencies may submit suggested changes to MAG and the chairperson of the Transportation Policy Committee.

SECTION 120: PROGRAM REPORTING

- A. **Prior to the beginning of each fiscal year, the Arterial Life Cycle Program Report will be approved through the MAG Committee Process.**
 - 1. It will provide the status of the Projects: Project Overviews, Project Agreements, Project additions, Project deletions, changes to Project schedules, Program and Project financing and other necessary components.
 - 2. **It will also certify the revenues and regional reimbursement costs in the ALCP.**
 - 3. MAG will use this information for the Annual Report on the Implementation of Prop. 400, the Transportation Improvement Program, RTP updates or revisions, the ALCP Status Report, and other documents.
- B. The ALCP Status Report will provide the MAG committee members an update on all Project requirements and ALCP financial information.
- C. Audits – All participating agencies must cooperate and provide requested information, if available, as part of the performance audit to be conducted by the Auditor General beginning in 2010, and every fifth year thereafter. ARS: 28-6313.A.
 - 1. All participating agencies will provide information to meet the minimum requirements for the audit report by way of the Project Overview and Project Reimbursement Request.

SECTION 130: MAG COMMITTEE PROCESS

- A. The MAG Committee Process is defined in Appendix A – Glossary and Acronyms.
- B. Final decisions regarding the ALCP rest with the MAG Regional Council with recommendations from the Transportation Review Committee (TRC), MAG Management Committee and the Transportation Policy Committee (TPC). Variations to the MAG Committee Process may be applied. These include, but are not limited to:

1. Other committees, including MAG modal committees, MAG Street Committee, and the MAG ITS Committee, or bodies outside this process may consider and advise on the same item; and
2. Consultation with the Citizens Transportation Oversight Committee (CTOC), which will be conducted as appropriate and consistent with requirements in ARS: 28-6356(F) & (G).

C. The MAG Committee Process will apply for the:

1. Approval of amendments to the ALCP Policies and Procedures;
2. Adoption of the Arterial Life Cycle Program;
3. Approval of amendments to the ALCP, TIP, and RTP; and,
4. Approval of administrative adjustments to the ALCP.

II. PROGRAMMING THE ARTERIAL LIFE CYCLE PROGRAM

SECTION 200: PROGRAMMING THE ALCP

- A. The RTP establishes regional funding limits, reimbursement phases, as well as general scopes and priorities for all ALCP Projects.
- B. All ALCP Projects must be programmed in the local government agencies Capital Improvement Program (CIP) and the approved MAG Transportation Improvement Program (TIP) before they may be implemented or reimbursed.
- C. Programming of Projects funded by the ALCP must be consistent with the ALCP Program and the ALCP Policies and Procedures.
 - 1. Initially, Projects will be programmed based on the regional funding specified in the RTP plus local match contributions, as well as scopes and termini as described in the RTP.
 - a. In order to support the development of Project Agreements that include a scope and schedule for each Project, programming of each ALCP Project shall include a separate scoping or design phase that precedes right-of-way acquisition and construction, unless otherwise agreed to by MAG. Environmental clearances may be funded as part of the scoping or design phase.
 - 2. All ALCP Projects will be updated annually and the ALCP will be programmed and produced at the beginning of each fiscal year.
 - a. The Lead Agency for each ALCP Project will be responsible for Project updates.
 - b. MAG Staff will produce an ALCP update schedule at the beginning of each fiscal year.
 - 3. All ALCP Project Reimbursements are dependent upon the availability of regional funds.
 - 4. Federal funds will be allocated to Projects, considering:
 - a. A request from the Lead Agency.
 - b. It is on a new alignment, has a potential impact on sensitive areas and/or populations or that it may readily accommodate the federal process given the length, amount of Project Regional budget or schedule.
 - 5. If a Project programmed to receive federal funds is deferred (Project A) and another Project programmed to receive federal funds is able to use the federal funds that year (Project B), then Project B may be accelerated to expend the maximum amount of committed federal funds in the ALCP that year. It is the ALCP's goal to expend the maximum amount of committed STP-MAG and CMAQ funds for a given year in the ALCP.
 - a. Projects programmed to receive federal funds can be accelerated from one phase to another to use federal funds. This does not pertain to Projects programmed to receive RARF funds.
 - b. If a Project is programmed to receive both, federal and RARF, funds, the portion of the Project that is programmed to receive federal funds may be accelerated. The portion of the Project programmed to receive RARF funds cannot be accelerated from one phase to another.
 - c. MAG staff will work with the Lead Agency on the Project's new schedule and reimbursement matters.

SECTION 210: UPDATING ALCP PROJECTS IN THE ALCP

- A. All ALCP Projects will be updated annually (refer to Section 200C. 2).
- B. Any necessary changes to an ALCP Project must be submitted by a written request stating the new updated schedule and budget and any other necessary justifications.
 - 1. Requests will be approved through the MAG Committee Process by the approval of the ALCP.
 - 2. Update forms will be provided by MAG.
- C. All ALCP Projects that are moved, changed or updated from their original schedule in the RTP must consider the impact of the proposed changes on other RTP Projects and on neighboring communities.
- D. MAG, the Lead Agency, and other agency (ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes or updates.

SECTION 220: TYPES OF ALCP PROJECT UPDATES

- A. Projects may be advanced by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement, who must pay the costs of advancing the Project and wait for reimbursement from the Program in the fiscal year the Project or Projects are scheduled in the ALCP to receive regional funds. To do so, it is required that:
 - 1. In advancing a Project, the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must bear all costs and risks associated with advance design, right-of-way acquisition, construction and any related activities for ALCP Projects.
 - 2. Financing costs and any other incremental costs associated with the advancement are not eligible for reimbursement.
 - 3. The reimbursement for the advanced Project must be in the currently approved programmed ALCP.
 - a. Reimbursement for a Project will be the amount listed, plus inflation to the year the Project is programmed for reimbursement in the ALCP.
 - i. **MAG Staff will use inflation factors as noted in Section 240.**
 - 4. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement may request to revert to the original Project schedule as long as all non-recoverable costs incurred or committed are paid for by the Lead Agency and/or other agency(ies)/jurisdiction(s) listed in the Project Agreement, and there are no other unacceptable adverse impacts associated with the reversion.
 - 5. For Projects advanced as segments of a larger RTP Project, the amount of regional reimbursement will be determined following the completion of the process for segmenting Projects and must be specified in the Project Overview and Project Agreement.
 - 6. Upon completion of an advanced Project, all Project Reimbursement Requests must be submitted to MAG. Reimbursement payments will follow the schedule established in the Project Agreement and Project Overview.
- B. An ALCP Project has the option of segmenting an original RTP Project as long as the resulting Project would provide for the completion of the original Project as specified in the RTP.

1. A Design Concept Report or equivalent **will may** be used to determine major Project elements within each jurisdiction and to develop recommendations for budget allocations.
- C. Projects may be deferred at the request of the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and/or MAG.
 1. If a Project is deferred, other Projects will be moved in priority order at that time, taking into account: Project readiness, local match available and funding source preferences.
- D. A Lead Agency may exchange two Projects in the ALCP if:
 1. Project 1 is deferred from Phase I, II or III to Phase II, III, or IV, AND Project 2 is advanced from Phase II, III or IV to Phase I, II, or III.
 2. When Projects are exchanged, the advanced Project 2 may receive regional reimbursement up to the maximum of the budgeted reimbursement amount of Project 1 or the maximum budget of Project 2, whichever is less.
 3. Funding for all Projects involved in a Project exchange must be documented for the ALCP Program both before and after the proposed exchange in order to demonstrate that there will be no negative fiscal impact on the ALCP.
- E. If an original ALCP Project is deemed not feasible, a substitute Project may be proposed for substitution in the same jurisdiction as the original Project.
 1. The Lead Agency must submit a written request to MAG. The written request must include justification, such as a feasibility study, level of service justification, or other documents explaining why the Project is deemed not feasible, and the description of steps to overcome any issues related to deleting the original Project from the ALCP and RTP.
 - a. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.
 2. The Lead Agency may propose a substitute Project that would use the regional funds allocated to the original Project.
 - a. The substitute Project should relieve congestion and improve mobility in the same general area addressed by the original Project, if possible.
- F. An original ALCP Project can change its original Project scope due to environmental issues, public concerns, costs and other factors.
 1. The Lead Agency must submit a written request to MAG. The written request must include justification, such as a feasibility study, level of service justification, or other documents explaining why the change to the original Project is required, and the description of steps to overcome any issues related to changing the original scope of the ALCP Project.
 - a. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.
 2. The scope change should relieve congestion and improvement mobility in the same area addressed by the original planned Project, if possible.
- G. Using Project Savings on another ALCP Project, a Project must follow the policies and procedures outlined in Section 440. If those are followed, a Lead Agency is allowed to request that Project Savings be reallocated to another ALCP Project.
 1. The written request must include name of the Project with the Project Savings, the amount of Project Savings, the Project that will use the Project Savings and a financial chart

showing that the Project Savings applied to the new Project will not exceed 70% of the total Project costs.

SECTION 230: PROGRAM OR PROJECT AMENDMENTS

- A. If a necessary Program or Project update (Section 220) falls outside of the ALCP, TIP or RTP update schedule, then an amendment to the ALCP, RTP and the TIP, will be required, as appropriate.
 - 1. Proposed amendments that in whole or in part negatively impact Projects in the TIP, RTP and/or ALCP, may not be approved.
 - 2. Amendments are subject to approval through the MAG Committee Process on a case-by-case basis.
 - a. The TIP Amendment process is conducted on a quarterly basis.
 - 3. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes.
- B. The Lead Agency listed in the Project Agreement, typically initiates the amendment process by making a written request to MAG.
 - 1. If an amendment is approved by MAG, corresponding amendments are required for the appropriate programs.
 - 2. The request must explain the need for the Program or Project change outside of the annual ALCP update schedule.
 - a. The request must specifically address and justify the proposed changes in scope, budget or schedule relating to:
 - i. Project length;
 - ii. Through lane capacity;
 - iii. Facility location or alignment;
 - iv. All other key Project features;
 - v. Potential negative impacts to other RTP Projects, including freeway/highway, arterial, public transportation or other mode Projects;
 - vi. Potential negative impacts to meeting all applicable federal, state, regional and local requirements, including but not limited to, any applicable requirements for air quality conformity and any that may be imposed directly or indirectly following a performance audit; and,
 - vii. Funding changes identified from the original Project allocation, the contingency allowance, the overall revised budget and other key aspects of the funding, reimbursement or reallocation.

SECTION 240: INFLATION IN THE ALCP

- A. The original Project budgets listed in the 2003 approved RTP were expressed in 2002 dollars. The annual update of the ALCP requires that the remaining budget of ALCP Projects be carried forward to the next year and adjusted to account for the past year's inflation.
- B. The regional funding specified in the original RTP for a Project will be adjusted annually for inflation based on the All Items United States Consumer Price Index (CPI), All Urban Consumers

1. Information on the inflation factors is located on the US Department of Labor, Bureau of Labor Statistics website at <http://www.bls.gov/cpi>, under 'Get Detailed CPI Statistics.' The specific series used for calculating inflation is All Urban Consumers (Current Series), West Region All Items, 1982-84=100 - ~~CUUR0000SA0~~ CUUR0400SA0.
 - a. The inflation rate is calculated using the month of March ~~base-year 2002~~ of the previous year and March of the current year.

SECTION 250: ALCP ADMINISTRATIVE ADJUSTMENT

- A. An administrative adjustment will adjust the ALCP regional reimbursement Project budgets in the current and later fiscal years of the ALCP due to actual Project expenditures and regional reimbursements.
 1. Administrative adjustments do not require a Program or Project amendment because the adjustment does not qualify as a Project Update (Section 220) and does not cause a negative fiscal impact to the current fiscal year.
 2. Regional reimbursement budgets cannot be moved from a later fiscal year to an earlier fiscal year in an administrative adjustment. This would require an amendment.
- B. An administrative adjustment is needed when:
 1. Project expenditures for a Project work phase or a Project segment are lower than the estimate, causing the 70% regional reimbursement to be less than the amount programmed in the current ALCP.
 2. The remaining regional reimbursement funds may be moved within the original Project, to another work phase or a Project Segment that is programmed in that fiscal year or a later fiscal year.
- C. At that time, the ALCP and Project budgets will be adjusted to reflect the remaining Project funds.
- D. Administrative Adjustments may occur each fiscal quarter. Changes will be reported in the ALCP Status Report, and the ALCP will be reprinted.
- ~~E. Each time an ALCP Administrative Adjustment occurs, the ALCP will be reprinted and the changes will be reported in the ALCP Status Report.~~

SECTION 260: ALCP RARF CLOSEOUT

[NEW SECTION! USE OF SURPLUS OR DEFICIT PROGRAM FUNDS (Previously Section 260) has been moved to Section 270.]

- A. Annually, MAG Staff will determine the availability of RARF funds to be used for the ALCP RARF Closeout by April 15th.
 1. MAG Staff will demonstrate the fiscal constraint of the ALCP with proposed ALCP RARF Closeout options.
 2. A Project or Project segment in the ALCP may not be adversely impacted, delayed, reduced or removed as a result of the reimbursement of RARF funds in the Closeout process to another Project, portion or segment.
 3. Lead Agencies and other agency(ies)/jurisdiction(s) listed in a Project Agreement that receive RARF Closeout funds will not be liable to reimburse the RARF funds to the Program if a Program deficit occurs in the future.

- B. The ALCP RARF Closeout Process will begin at the April TRC and continue through the MAG Committee process in May, one month before the annual update of the ALCP.
- C. To be considered for reimbursement with RARF Closeout funds, a Project must have completed the following Project Requirements: Project Overview, Project Agreement, and Project Reimbursement Request.
 - 1. All three requirements must be completed and accepted by June 1st.
 - 2. The Project or Project segment must be completed/closed out.
- D. The determination and allocation of ALCP RARF Closeout funds for eligible completed projects will be made according to the following priorities (in sequential order):
 - 1. Projects scheduled for reimbursement in the next fiscal year;
 - 2. All other Projects according to the chronological order of the programmed reimbursements

**SECTION 270: USE OF SURPLUS OR DEFICIT PROGRAM FUNDS
[PREVIOUSLY LISTED AS SECTION 260]**

- A. If a surplus Program funds occurs, existing Projects may be accelerated. Any acceleration will occur according to priority order of the ALCP.
 - 1. For Projects to be accelerated, matching local funds must be committed.
 - 2. If there are no current Projects ready for acceleration, the next Project scheduled for reimbursement may be accelerated.
 - 3. If there are surplus funds available upon the full completion of the ALCP, the MAG Transportation Policy Committee will discuss options regarding additional Projects.
- B. ALCP Projects may be delayed if there is a deficit of Program funds. ALCP Projects will be delayed in priority order of the ALCP.

III. PROJECT DETAILS

SECTION 300: LEAD AGENCIES

[PREVIOUSLY LISTED AS SECTION 400]

- A. A Lead Agency must be identified for each ALCP Project in the RTP.
 - 1. The Lead Agency is expected to be a MAG member agency.
 - 2. One Lead Agency per Project will be accepted. For segmented Projects, please refer to Section ~~400~~ 300(D)(b).
 - 3. The designation of a Lead Agency for each Project will be accomplished through the signed Project Agreement with MAG.
- B. The Lead Agency is responsible for all aspects of Project implementation, including, but not limited to, Project management, risk management, design, right-of-way acquisition and construction.
 - 1. The Lead Agency and MAG will be signatories to the Project Agreement.
 - 2. The Lead Agency and the agency(ies)/jurisdiction(s) listed in the Project Agreement are expected generally to use accepted financial and project management policies, practices and procedures in the use of funds received from the ALCP and in the implementation of the ALCP Project.
- C. Projects in One Jurisdiction
 - 1. If a Project falls entirely within one jurisdiction, then that jurisdiction is expected to be the Lead Agency.
 - a. If there is change in jurisdictions due to annexation that affects a Project, the Lead Agency designated at the time of Project implementation will continue to serve as the Lead Agency.
 - 2. An alternative agency may be specified as the Lead Agency if the local jurisdiction in which the Project is located agrees.
 - a. An agreement between the local jurisdiction and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees.
 - b. A copy of that written agreement must be provided to MAG.
- D. Projects in Multiple Jurisdictions
 - 1. In cases where the RTP Project is located in more than one jurisdiction, the Project may be implemented as either:
 - a. One Project with a single Lead Agency as agreed to by the agency(ies)/jurisdiction(s) listed in the Project Agreement.
 - i. The agreement to this effect between the local jurisdictions and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees in a Memorandum of Understanding (MOU) and/or an Intergovernmental Agreement (IGA).
 - A The agreement will be used to explain multi-jurisdictional roles, responsibilities and terms of the Project, which will be referenced in the Project Agreement signed by the Lead Agency.

- B A copy of this agreement must be provided to MAG, who must agree to the proposed Lead Agency designation.
- b. The Project may be segmented and implemented as separate Projects by local jurisdictions, if agreed to by all agencies/jurisdictions listed in the Project Agreement, and following the Project Update process specified in Section 220.

SECTION 310: ALCP PROJECT BUDGETS
[PREVIOUSLY LISTED AS SECTION 410]

- A. The regional funding for each ALCP Project as specified in the RTP establishes the maximum amount payable from regional funds for that Project.
 - 1. Every payment obligation of MAG under the RTP, ALCP and any Project Agreement or related legal agreement is conditional upon the availability of funds appropriated or allocated for the payment of such obligation.
 - 2. The ALCP budget and timeline may change to account for surplus or deficit Program funds.
- B. The budget for each ALCP Project:
 - 1. Is limited to the regional contribution amount specified in the ALCP for the Project, or 70% of the total Project expenditures, whichever is less; and,
 - 2. Will be established in the Project Agreement and Project Overview.
 - 3. The Lead Agency is responsible for all of the Project costs over the regional contribution and, if applicable, will need to work with the other agency(ies)/jurisdiction(s) listed in the Project Agreement to cover those costs.
- C. Credits for local match requirements are not transferable between Projects.

SECTION 320: PROJECT ELIGIBILITY
[PREVIOUSLY LISTED AS SECTION 300]

- A. To be funded or constructed under the ALCP Program, Projects must:
 - 1. Have a scope, budget (including amounts of regional funding and local match contributions) and a schedule consistent with the Project as included in the RTP, ALCP, and as appropriate, the TIP. In addition, Projects must be consistent with federal requirements, where applicable.
 - 2. Be considered new in keeping with voter expectations, and as such:
 - a. Cannot include costs for any pre-existing, programmed or planned element or improvement that is not part of the specific improvement Project described or included in the RTP as of November 25, 2003 or later.
 - b. Cannot have started design, acquired right-of-way or started construction before the date specified in Section 340 430 or the date of the Project addition to the RTP.
- B. Facilities eligible for improvements under the ALCP include:
 - 1. Major arterials as defined in Appendix A. Major arterials include:
 - a. Roadway facilities on the regional arterial or mile arterial grid system;
 - b. Roadway facilities that connect freeways, highways or other controlled access facilities; and,

- c. Other key arterial corridors.
- 2. Intersections of eligible major arterials.
- C. All Projects must be designed to the standards agreed to by the designated local jurisdictions and the Lead Agency established in the Project Agreement.
 - 1. The agreed standards, which may be higher than the standards used in the local jurisdiction(s), must be specified or referenced in the Project Agreement.
 - 2. Standards for multi-jurisdictional Projects should be consistent to the extent feasible.
- D. Reimbursable items for regionally funded Projects are limited to:
 - 1. Design, right-of-way and construction, as required in ARS: 28-6304(C)(5) and ARS: 28-6305(A). Design Concept Reports, planning studies and related studies, such as environmental and other studies, are also eligible.
 - 2. Capacity Improvement Projects.
 - 3. Safety Improvement Projects.
 - 4. Projects or components directly related to capacity and safety improvements, including:
 - a. Intelligent Transportation Systems (ITS);
 - b. Signals;
 - c. Lighting;
 - d. Transit stops and pullouts, as well as queue jumper lanes, for example, for bus rapid transit;
 - e. Bicycle/pedestrian facilities integral to the roadway, including wide sidewalks separated from curbs;
 - f. Utility relocations, including under grounding of utility lines where required for safety or other reasons relating to function, and not purely for aesthetic reasons, and not otherwise considered an enhancement;
 - g. Drainage improvements for the Project (with limitations), such as retention basins required for the Project that would not normally be handled through County or other drainage funds, within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);
 - h. Landscaped medians, shoulders, and other improvements within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);
 - i. Reconstruction Projects, as identified in or supported by the RTP and as specified in Project Agreements, for eligible Project elements;
 - j. Access management;
 - k. Rubberized asphalt and concrete paving;
 - l. Staff time directly attributable to Project; and,
 - m. Noise, privacy and screen wall, and other buffers, if found to be necessary to meet applicable local, state or federal standards.
- E. Notwithstanding findings or recommendations from the Design Concept Report or a similar study, Projects, Project components or other costs that are not reimbursable from the ALCP include:

1. Enhancement Projects or enhancement components of Projects.
 - a. If a Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement request an enhancement to a Project funded in the ALCP, the local jurisdiction and/or Lead Agency shall pay all costs associated with the enhancement.
 2. Right-of-way not used by the ALCP Project, with potential exceptions on a case-by-case basis for land that is identified by the Lead Agency and/or the local jurisdiction or jurisdictions as not marketable for sale.
 3. Any Project or Project element that exceeds the reasonable limits or typical practice for the local jurisdiction in which the Project or Projects are located.
 4. Administrative overhead costs by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement that are not attributed to the Project.
 5. Other expenses, such as bad debts, as determined by MAG.
- F. The use of federal funds or other funding sources may involve further restrictions on the use of funds or eligible matching contributions.
- G. Eligible local match contributions include:
1. Locally funded expenditures on eligible Projects or elements as listed above in this section; or
 2. Third party contributions, which must have supporting documentation. Third party contributions will be taken at market value at the time of the donation and mutually agreed upon between the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and MAG.
- H. Determining the value of third party contributions:
1. The jurisdiction's real estate department will value and appraise any right-of-way given to a Project by a developer.
 2. Costs related to the construction of a road must be documented and certified for the value of the road by the authorized representative of the jurisdiction. To do so, a jurisdiction shall do the following in priority order:
 - a. First, work with the developer(s) to turn in cost documentation related to the road improvement as soon as a jurisdiction is aware the improvement is being made to an ALCP Project, even if the ALCP Project is not scheduled for construction or reimbursement until a later date. If this cannot be done, then;
 - b. Second, generate cost figures from known developer fees, final construction documents, as-built documents, et cetera. If this cannot be done, then;
 - c. Third, use cost figures from the actual ALCP Project construction bid for a cost per unit figure, which then could be applied the developer contribution to generate a total cost. If this cannot be done, then;
 - d. Fourth, use cost figures from a similar Project in location, size, and scope, which then could be applied to the developer contribution to generate a total cost.
 3. MAG Staff will review the valuation method and documentation for quality assurance purposes.
 4. All documents used to determine the value of third party contributions shall be kept in accordance with Section **330A.6 320H**.

- I. The Project Overview for each Project must identify all Project components for which reimbursement of the regional share is sought from the ALCP, including the components of the Project that will be funded locally or by third parties.
- J. The MAG Committee Process has the final determination on the eligibility of any Project or Project component for reimbursement from the ALCP Program.

SECTION 330: ELIGIBLE COSTS FOR REIMBURSEMENT
[PREVIOUSLY LISTED AS SECTION 420]

- A. Reimbursable expenditures are limited to ALCP Projects meeting the requirements set forth in Section **320 300** (Project Eligibility).
- B. No reimbursements will be made:
 - 1. Prior to the execution of a Project Agreement.
 - 2. Prior to the year in which the funds for that ALCP Project are programmed or would normally be received following the schedule in the TIP and RTP, unless it is part of the annual closeout of RARF funds per Section 260, or there are surplus program funds, Section **270 420**.
- C. Each ALCP Project shall have a reimbursement timeline specified in the Project Agreement and Project Overview.
- D. The Lead Agency shall send the Project Reimbursement Requests to MAG for payment from the Arizona Department of Transportation (ADOT). The Lead Agency is responsible for:
 - 1. All Project expenditures.
 - 2. Providing all Project Reimbursement Requests to MAG for reimbursement.
- E. Reimbursements will be made for expenditures paid with tax or public revenue only, including development and impact fees collected by a jurisdiction.
 - 3. Reimbursements will not be made for Project elements donated or funded via cash or cash equivalent donations, right-of-way donations, exactions and/or other third party or non-tax funding sources.
 - 4. Reimbursements from the ALCP will not be made for expenditures that have already been reimbursed from other sources, either in cash or cash equivalents or through third party contributions including, but not limited to, the provision of a transportation improvement Project such as a design or related study, right-of-way acquisition or donation or construction.
- F. Project elements not eligible for reimbursement under subsection **330 420**-(A) and (B) may be eligible as credit toward matching costs if the requirements specified in Section **340 430** (Eligible Prior Right-of-Way Acquisition and/or Work for Reimbursement) and Section **320 300** (Project Eligibility) are satisfied.
- G. Reimbursements, including local match contributions, will generally be commensurate with progress unless otherwise agreed to in the Project Agreement, such as for specific lump sum for right-of-way acquisitions and/or work.
- H. Right-of-way or other capital assets acquired included as an eligible Project cost, but not used in the ALCP Project, must be disposed of at market rates and the funds returned to the ALCP for reallocation following the requirements contained in Section 350.

**SECTION 340: ELIGIBLE PRIOR RIGHT-OF-WAY ACQUISITION AND/OR WORK FOR REIMBURSEMENT
[PREVIOUSLY LISTED AS SECTION 430]**

- A. Prior right-of-way acquisitions and/or work that is part of a designated ALCP Project are eligible for reimbursement if:
 - 1. Specified in a Project Agreement and/or Project Overview.
 - 2. Purchased/completed after November 1, 2002, for design, environmental and related planning studies and right-of-way acquisition.
 - 3. Completed construction and related activities after November 25, 2003.
- B. Eligible prior right-of-way acquisition and/or work is limited to ALCP Projects scheduled or programmed for completion in Phase I of the RTP (which ends June 30, 2010), including ALCP Projects accelerated or advanced from later phases.
- C. Reimbursements for prior right-of-way acquisition and/or work will be payable only to the agency that paid for the right-of-way acquired and/or work, unless that agency assigns the payment to another party or other terms are developed in the Project Agreement for the ALCP Project.
- D. The Project Overview will identify, as appropriate, the priorities for reimbursement for prior right-of-way acquisition and/or work if more than one agency is requesting such reimbursement for that Project.
- E. If prior right-of-way acquisition and/or work is not eligible for reimbursement, it may be credited toward the local match requirement if:
 - 1. The Project or work was included in the local jurisdiction or Lead Agency CIP or in the MAG TIP approved after the start of MAG Fiscal Year 2001 (July 1, 2000).
 - 2. The Project or work is not otherwise excluded in whole or in part elsewhere in these requirements.
- F. For prior work attributable to an ALCP Project that meets eligibility guidelines set in the ACLP Policies and Procedures, the jurisdiction is responsible for inflating the cost amounts to the current year when completing a Project Overview.
 - 1. Each year, MAG will update and release the inflation rate information to the jurisdictions.
 - 2. The inflation rate and method will be the same as mentioned in Section 240.

**SECTION 350: REALLOCATION OF PROJECT SAVINGS
[PREVIOUSLY LISTED AS SECTION 440]**

- A. Project Savings from the ALCP will not be determined by MAG to be eligible for reallocation, unless and until:
 - 1. Construction has been completed and the work satisfies the original intent and scope of the Project, as included in the Project Agreement and Project Overview, and there are remaining regional funds allocated to the Project;
 - 2. If applicable, right-of-way, or other capital assets acquired with ALCP funds not used in the ALCP Project is disposed of at market rates and the funds returned to the ALCP; OR
 - 3. A high degree of certainty is obtained that construction for the original ALCP Project will be completed consistent with the Project Agreement and Project Overview specified scope and schedule.

- B. ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established below are met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds. Project Savings may be reallocated:
1. To another ALCP Project or Projects, in the jurisdiction to address a budget shortfall, not to exceed 70% of the actual total Project costs.
 2. To advance a portion or entire existing ALCP Project or Projects in the jurisdiction up to the amount of available Project Savings.
 3. If there are ALCP Project Savings that are not reallocated and the ALCP is completed, then new Project(s) for that jurisdiction may be funded.

IV. ALCP PROJECT REQUIREMENTS

SECTION 400: PROJECT OVERVIEW

[PREVIOUSLY LISTED AS SECTION 310]

- A. For each ALCP Project, the Lead Agency must submit a Project Overview to MAG before a Project Agreement will be initiated or signed.
- B. For advanced Projects, a Project Overview must be submitted ~~when the project begins~~ prior to the purchase of right-of-way.
- C. The Project Overview may be updated throughout the Project as long as it is not a material change.
- D. Adequate and secure funding from the local, regional, and if applicable, the federal level, must be identified in the Project Overview.
- E. The Project Overview will provide at a minimum:
 - 1. Lead Agency contacts and other agency(ies)/jurisdiction(s) involved in the Project;
 - 2. Project scope, Project alignment, Project history, Project considerations, ITS components, multi-modal issues, Project development process including any environmental, utility and right-of-way clearances, as needed;
 - 3. Map/photographs;
 - 4. Timeline;
 - 5. Management plan;
 - 6. Project data;
 - 7. Cost estimates;
 - 8. Contingencies;
 - 9. Cost savings;
 - 10. Summary of work, including: year of work, total cost, local share, federal share, regional share, year for reimbursement;
 - 11. Project documents, if needed: IGA, MOU, DCR, Corridor Study, Project Assessment, supporting document for developer contributions, Project amendments, environmental overview; and,
 - 12. Funding sources.
- F. A Project Overview template will be provided by MAG.

SECTION 410: PROJECT AGREEMENT

[PREVIOUSLY LISTED AS SECTION 320]

- A. A Project Agreement between MAG and the designated Lead Agency is required for each Project before the reimbursement of expenditures will be initiated.
 - 1. If a Project is completed and eligible for reimbursement following the stipulations in Section ~~330 and 340 420 and 430~~, a Project Agreement must be in place before Project Reimbursement Requests are submitted for reimbursement.

- a. If a Project is advanced, a Project Agreement must be in place before the completion of the Project.
 2. The scope, regional funding and schedule specified in the Project Agreement must correspond with the schedule specified in the RTP for the Project.
 - a. Project segmentation must be approved through the MAG Committee Process as described in Section 130 and the RTP and, as appropriate, the TIP amended showing those segmented Projects before Project Agreements can be executed for any of the segmented Projects.
 - i. The Project Agreement may be in a developmental stage while the amendment is being approved through the MAG Committee Process.
 - b. A Project Agreement will not be executed for segmented Projects or Projects with scopes less than that specified in the RTP, even if proposed subdivisions are already listed for preliminary programming and financial planning purposes in the TIP, unless the RTP and ALCP is amended.
 3. A Memorandum of Understanding (MOU) may be used as a bridge to a full Project Agreement.
 - a. Design studies may be initiated under a MOU to determine Project scope, costs and schedule by a jurisdiction, as needed, for multi-jurisdiction Projects.
 - b. The MOU may address other considerations, such as the roles and responsibilities for local jurisdictions in a multi-jurisdiction Project, or early right-of-way acquisition, as needed, in a preliminary manner prior to a full Project Agreement.
- B. Each Project Agreement will be based on a standard agreement provided by MAG and customized for each Project.
1. Any material changes to the standard Project Agreement or template for a specific Project must be identified in a clear and concise manner in the summary section of the Project Overview for that Project.
- C. The Project Agreement will address at a minimum:
1. Project scope, type of work, schedule of work and reimbursement, the regional share and federal funding if applicable;
 2. Lead Agency and other agency(ies)/jurisdiction(s) involved in the Project;
 3. Applicable Design Standards;
 4. Responsibilities of the Parties;
 5. Risk and indemnification;
 6. Records and audit rights;
 7. Term and termination;
 8. Availability of Funds; and,
 9. Conflicts of Interest.
- D. Upon approval of the Arterial Life Cycle Program, an update will be provided to the MAG Committees regarding the status of Projects, including active Project Agreements and new Project Agreements that will be executed during that fiscal year.
- E. RTP and/or TIP amendments will still be required to go through the MAG Committee Process for any changes involving material cost, scope or schedule changes to the Project.

F. The Lead Agency and MAG must be signatories to the Project Agreement:

1. To indicate their agreement to the Lead Agency designation and the terms of the agreement, the authorized representative must be the signing authority for that jurisdiction.
2. To indicate roles and responsibilities in Project implementation.

SECTION 420: PROJECT REIMBURSEMENT REQUESTS
[PREVIOUSLY LISTED AS SECTION 330]

A. A Project Reimbursement Request must contain a request for payment, an invoice, and a progress report.

1. The request for payment, invoice, and progress report forms will be provided by MAG.
2. For a current ALCP Project, the Project Reimbursement Request:
 - a. may be submitted by the Lead Agency to MAG as needed, or
 - b. must be submitted by milestone completion (Section 420(D)(4)a-k) unless otherwise agreed to in the Project Overview.
3. Project Reimbursement Requests may not be submitted more than once per month.
4. Progress reports must reflect the work being invoiced.
5. If an ALCP Project is advanced, progress reports must be submitted and ~~QA/QC meetings will be held~~ based on the milestones of the Project even though a full Project Reimbursement Request is not required at that time.
 - a. A full Project Reimbursement Request, including request for reimbursement and invoice is due at the time of Project completion.
6. All Project Reimbursement Requests shall be submitted to MAG for authorization for payment.
 - a. Participating agencies/jurisdictions may invoice the Lead Agency for any item including, but not limited to, work conducted or capital assets acquired for the Project or as part of the Project, subject to other terms in this agreement.
7. The work conducted and/or received must meet all the requirements of the MAG ALCP Policies and Procedures as well as any and all other applicable federal, state, regional and local requirements.
8. The Lead Agency must retain, certify, and make available all vendor receipts, invoices and as needed, any related Project records.
 - a. Vendor receipts or invoices must be available for five (5) years after final payment is made; auditors, MAG or its designees may make possible requests.
 - b. Receipts and invoices for Projects advanced by a jurisdiction may have a longer retention period.
9. An authorized representative of the Lead Agency must sign all Project Reimbursement Request forms: the request for payment, invoice and a progress report, certifying that the request is true and correct per the terms of the Project Agreement and Project Overview.
 - a. The duly authorized representative for the Lead Agency may be the respective Town/City Managers, County/Community Administrator, designee or a higher level representative of the organization that has signing authority and is designated as a signatory in the Project Overview for that specific ALCP Project.

- b. Electronic or scanned signatures will not be accepted.
- 10. Matching contributions, as required in the ALCP Policies and Procedures must be fully documented, invoiced and/or received, and cannot be in arrears.
- B. The request for payment shall be approved and signed by the duly authorized representative from the Lead Agency. Then, the request will be processed and approved at MAG and forwarded to ADOT for payment to the Lead Agency. The request for payment form must include the:
 - 1. Project name, description and RTP ID;
 - 2. Estimated total Project costs;
 - 3. Expenditures to date;
 - 4. Regional fund budget;
 - 5. Previous Regional fund payments;
 - 6. Amount of Regional fund requests;
 - 7. Remaining Regional funds;
 - 8. Status of Project development/completion;
 - 9. Type of work being requested for reimbursement;
 - 10. Mailing address for payment; and,
 - 11. Signatures of authorized representatives from Lead Agency, MAG and ADOT.
- C. The invoice will include:
 - 1. Invoice number;
 - 2. Project name, description and RTP ID;
 - 3. Reimbursable items and related costs; and,
 - 4. An invoice with proper documentation of reimbursable items and costs. Proper invoice documentation may include:
 - a. A copy of the invoice from the contractor is sufficient documentation for contracted work;
 - b. An administrative breakdown chart including staff name, hours on Project, hourly rate, and total costs is sufficient documentation for administrative work;
 - c. A copy of the Court Order;
 - d. A copy of the Settlement Statement;
 - e. A copy of the City's payment documentation; or,
 - f. A completed Cost Attachment Form. If the Cost Attachment form is explaining dedicated right-of-way, easements, or Public Utility and Facilities Easements (PUFE), a signed letter from the appropriate department (Real Estate, Transportation, etc) must be included verifying the items in the cost attachment form. Please use costs that are relevant to the time of dedication and if necessary, use the inflation chart to inflate the costs to the current value.
 - 5. If an item for reimbursement (design, ROW, construction, etc.) has more than one backup invoice, a chart must be provided with each reimbursement request that:
 - a. Lists each invoice/backup documentation number and/or a describes the item(s) being considered for reimbursement;

- b. Documents the dollar amount of item; and
 - c. Includes the total dollar amount of all invoices, per each item for reimbursement. This total dollar amount should match the invoice.
 - d. MAG will provide an example chart/form.
- D. The progress report of the Project Reimbursement Request shall explain the status of the Project, milestones and other necessary information.
- 1. It is the responsibility of the jurisdiction to document the work accomplished for each invoice and/or milestone during the reporting period.
 - 2. Advanced Projects prior to the approved ALCP Policies and Procedures, will have special progress report requirements.
 - 3. For each progress report, the Lead Agency must provide the:
 - a. Percent of work complete;
 - b. Work accomplished;
 - c. Estimate v. real cost analysis;
 - d. Work schedule analysis;
 - e. Grievance/complaints reports;
 - f. Procurement process update (when necessary); and,
 - g. Documents produced.
 - 4. Milestones may be used to trigger a Project Reimbursement Request for a current Project. Milestones must be used to trigger a progress report for an advanced Project. The milestones are:
 - a. Studies;
 - b. Preliminary Design - 60%;
 - c. Final Design - 100%;
 - d. Construction – 25%;
 - e. Construction – 60%;
 - f. Final Acceptance; and,
 - g. Project Closeout.
- ~~5. In addition to the progress report, jurisdictions will ask MAG Staff to participate in the Quality Assurance/Quality Control (QA/QC) meetings during the lifetime of a Project.~~
- ~~MAG will develop a list of questions and measures pertaining to the Project schedule, budget and deliverables to be included in the QA/QC meetings.~~
- ~~i. The list will be provided to jurisdictions from MAG.~~
- ~~b. Each QA/QC meeting will consist of the necessary employees from the jurisdiction, a MAG representative and, if necessary and requested, other representatives from partner agencies and/or contractors.~~
- E. Upon MAG approval, the Project Reimbursement Request will be forwarded to ADOT for payment.

1. ADOT maintains the arterial street fund and will be responsible for issuing bonds, through the State Transportation Board, on behalf of the street program, as designated in ARS: 28-6303.D.2.
 - a. MAG will work with ADOT regarding budget, invoicing process and other fiscal matters.
2. MAG will work with ADOT to expedite payment dependent on availability of funds.
3. Checks will be distributed from ADOT and sent to Lead Agency.

APPENDIX A. GLOSSARY AND ACRONYMS

| | |
|----------------------------------|--|
| Acceleration | Acceleration means that all of the remaining Projects, including the reimbursements for advanced Projects, in the Arterial Life Cycle Program are moved forward in priority order. |
| ADOT | Arizona Department of Transportation |
| Administrative Adjustment | The ALCP and Project budgets will be adjusted annually to reflect the final Project reimbursement in the fiscal year. This falls after the adoption of the ALCP and will not require a program amendment. |
| Advancement | Advancement of a Project means that its implementation is moved earlier in time than previously scheduled in the MAG RTP and/or TIP, with the interest and any other incremental costs associated with the earlier implementation borne by the Lead and/or local agencies requesting the advancement. Reimbursement for the Project will remain in the year(s) in which the Project was scheduled before the proposed advancement. |
| ALCP | Arterial Life Cycle Program, or the "Program" |
| ALCP Regional Funds | ALCP Regional Funds are generated from the Maricopa County one-half cent sales tax extension and Federal Transportation Funds, including STP and CMAQ funds. |
| ARS | Arizona Revised Statutes |
| Certification Report | Periodic report produced, at least annually, for the ALCP to provide an update on the status of the Program, current revenue and cost projections. The report will provide supporting information for the RTP Annual Report |
| CIP | Capital Improvement Program |
| CTOC | Citizens Transportation Oversight Committee as referenced in ARS 28-6356 |
| DCR | <p>Design Concept Report, meeting the standards established for federal aid arterial projects. Key elements of the DCR for the ALCP include, but are not limited to:</p> <ul style="list-style-type: none">– the development and provision of labor and material quantity based cost estimates for the entire ALCP Project, as specified in the RTP; categorized by Project phase, segment and jurisdiction, as appropriate;– projected monthly cash flow requirements for financial planning purposes; and,– appropriate contingency amounts for the completion of the Project. |
| Enhancement | "an addition that exceeds generally accepted engineering or design standards for the specific type of facility." (HB 2456, 28-6351(2)) For the purposes of the ALCP, the term "enhancement" is defined more specifically as: |

1. Projects, Project elements or Project additions that are not design, right-of-way or construction related, including any Project, Project element or addition that is not a needed study, right-of-way acquisition or capacity or safety-related infrastructure improvement. Examples include drainage in excess of typical needs for the roadway or intersection, "improvements" that tend to reduce through capacity, such as deletion of lanes and other traffic calming measures.
2. Project additions after the completion of a Design Concept Report, unless otherwise agreed to in the approved Project Agreement.
3. Additional limitations or requirements may apply, depending on the funding source.

| | |
|------------------------------|--|
| EA | Environmental Assessment |
| EIS | Environmental Impact Statement |
| Federal Aid Project | Any Project in which any federal aid funding is received. These Projects must follow the implementation processes established or required by the FHWA and administered through the ADOT Local Government Section. |
| Federal Fiscal Year | October 1 – September 31, example: October 1, 2005 – September 31, 2006 |
| FHWA | Federal Highway Administration |
| Fiscal Year | July 1 – June 30 (i.e. July 1, 2005 – June 30, 2006) |
| ITS | Intelligent Transportation System |
| MAG | Maricopa Association of Governments |
| MAG Committee Process | Items are placed for action on the agendas of the MAG Transportation Review Committee (TRC), Management Committee, Transportation Policy Committee (TPC), as appropriate, and Regional Council |
| Major Arterial | "an interconnected thoroughfare whose primary function is to link areas in the region and to distribute traffic to and from controlled access highways, generally of region wide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses." (ARS 28-6304(c)(5)) |
| Material Change | <p>In general, a material change is any change that could reasonably cause a change in decision regarding a Project or an amendment to a Project.</p> <p>It is further defined as any proposed change to a Project that:</p> <ol style="list-style-type: none"> 1. changes a Project scope by: <ol style="list-style-type: none"> a) modifying Project termini by a quarter-mile or more; b) changing a freeway- or highway-arterial interchange location by a |

- quarter mile or more, or changing the location so as to cause increased costs for the freeway or highway program, or any change in the design and/or location of the arterial Project affecting the freeway or highway not agreed by ADOT;
 - c) changing the vertical alignment at a freeway or highway interchange between at-grade, depressed and elevated, or changing the alignment in such a way so as to cause increased costs for the freeway or highway program, or any change in vertical alignment affecting an interchange or grade separation not agreed by ADOT or as appropriate, any light rail crossing not agreed by Valley Metro;
 - d) changing major design elements including, but not limited to, the number of lanes;
 - e) otherwise significantly modifying the scope of the Project itself or negatively impacting a freeway, highway or light rail facility as determined in consultation with MAG staff.
2. changes costs:
 - a) in excess of 5% of the Project budget as specified in the Project Overview or other agreement established for the Project, or in excess of \$1 million, but not less than \$200,000; and/or
 - b) to increase the regional share of the budget to an amount over the dollar amount specified in the RTP, or to an amount that represents over 70% of the Project costs.
 3. changes the Project completion by:
 - a) one or more fiscal years from the year shown in the TIP or RTP;
 - b) changes Project completion from one phase to another in the RTP; and/or,
 - c) results from a finding of a performance and/or financial audit.

Memorandum of Understanding (MOU)

A type of agreement used as a bridge to a Project Agreement. For example, in the development of Project cost estimates and allocations across multiple jurisdictions, which then may be agreed to and incorporated into a more formal Project Agreement to be executed before further Project implementation.

MPO

Metropolitan Planning Organization

Participating Agency

Any agency involved in the implementation of an ALCP Project. All partner agencies are participating agencies.

Program

ALCP or TIP, depending on context.

Project

ALCP arterial, arterial intersection and/or ITS Project, as described in the RTP and Project-related documents. The Project description includes funding, schedule, Project termini and number of lanes added and other Project features. See also "Sub-divided Projects.

Project Component

ALCP Projects may include several Project components or major elements, such as road widenings, grade separations, ITS applications, bike and pedestrian facilities, etc. The components together comprise the overall

ALCP Project.

Project Agreement (PA)

A legally binding contract or agreement between MAG and the Lead Agency established for the ALCP Project.

Project Completion

For the purposes of the material change policy, Project completion means all lanes of the roadway segment or intersection are open to traffic.

For purposes of Project Agreements or other Project-related legal agreements, Project completion means when all requirements of the Agreements have been completed to the satisfaction of MAG (i.e. it is contract or agreement completion).

A Project Agreement may establish dates for Project completion considering administrative requirements or other requirements or needs, as determined by MAG to be necessary.

Project Overview (PO)

A managerial document Lead Agencies must complete for each ALCP Project prior to signing a Project Agreement. The Project Overview includes the Lead Agency information, Project data, summary of the Project, history and background, maps/photographs, ITS components, timeline, Project data, cost estimates, summary of work and local, regional, federal and total costs.

Project Reimbursement Request (PRR)

The guidelines and forms (request for payment, invoice and progress reports) a Lead Agency must complete when requesting reimbursement for an ALCP Project.

Project Savings

ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established in the ALCP Policies and Procedures is met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds.

Reallocation

Re-assignment or re-programming of funds unexpended or not expected to be needed from one ALCP Project to another ALCP Project.

Reimbursement

Payment or compensation for costs incurred.

RTP

Regional Transportation Plan. Must be in conformance for air quality purposes and approved by the MAG Regional Council. The RTP may be updated or amended from time to time. Any references to the RTP means the currently approved version unless indicated otherwise. It is also referred to as the "Plan."

STIP

State Transportation Improvement Program

Segmented Projects

Segments of RTP Projects where the original Project as specified in the RTP is Projects segmented or proposed for subdivision into smaller, shorter segments or components that together comprise the original RTP Project in its entirety.

| | |
|---------------------------------|--|
| Third Party Contribution | Contribution made to an ALCP Project other than cash or cash equivalent funding, typically involving the donation of right-of-way, but may also include other aspects of Project implementation, such as design and construction. |
| TIP | MAG's Transportation Improvement Program. The TIP must be in conformance for air quality purposes, approved by the MAG Regional Council, and approved by the Governor for inclusion in the STIP. The TIP may be amended from time to time. Any references to the TIP mean the currently approved version unless indicated otherwise. |
| TPC | MAG Transportation Policy Committee |
| TRC | MAG Transportation Review Committee |

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

December 11, 2007

SUBJECT:

Proposed 2008 Revisions to MAG Standard Specifications and Details for Public Works Construction

SUMMARY:

The MAG Standard Specifications and Details for Public Works Construction represent the best professional thinking of representatives of several Public Works Departments and are reviewed and refined by members of the construction industry. They were written to fulfill the need for uniform rules for public works construction performed for Maricopa County and the various cities and public agencies in the county. It further fulfills the need for adequate standards by the smaller communities and agencies who could not afford to promulgate such standards for themselves. The MAG Standard Specifications and Details Committee has completed its 2007 review of proposed revisions to the MAG Publication. A summary of cases is shown in Attachment One.

A summary of these recommendations has also been sent to MAG Public Works Directors, in addition to members of the Management Committee, for review for a period of one month. Since no objections to any of the proposed revisions have been suggested, then the proposed revisions will be regarded as approved and formal changes to the printed and electronic copies will be released. It is anticipated that the annual update packet will be available on the MAG Web site and for purchase in early January 2008.

PUBLIC INPUT:

Development of these revisions has been achieved during open meetings of the MAG Specifications and Details Committee and has included input from several professional contractor and utility groups, private companies and private citizens. No public comment was received during the November 7, 2007 Management Committee meeting.

PROS & CONS:

PROS: Approval of the latest revisions will ensure that the MAG Specifications and Details reflect the latest and best practices in public works construction appropriate for MAG agencies.

CONS: Due to the constant evolutionary change inherent in the Specifications and Details process, annual updates to the printed and electronic versions are necessary.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: The MAG Specifications and Details are a series of recommendations developed over many years, principally by senior inspectors and their supervisors from many MAG agencies. These recommendations are not prescriptive, but are often adopted entirely, or in part, by MAG agencies in developing public works projects.

POLICY: In prior years, action by the MAG Public Works Committee was the only review needed prior to publication of the revisions. The MAG Public Works Committee has now been discontinued so formal review by the Management Committee is requested.

ACTION NEEDED:

Information.

PRIOR COMMITTEE ACTIONS:

MAG Management Committee: This item was on the November 7, 2007 agenda for information. .

MEMBERS ATTENDING

| | |
|--------------------------------------|---|
| George Pettit, Gilbert, Acting Chair | Horatio Skeete for Ed Beasley, Glendale |
| Bridget Schwartz- Manock for | Mark Brown for Brian Dalke, Goodyear |
| Jan Dolan, Scottsdale, Chair | Mark Johnson, Guadalupe |
| Rogene Hill for Charlie McClendon, | Darryl Crossman, Litchfield Park |
| Avondale, Vice Chair | Scott Butler for Christopher Brady, Mesa |
| # Matthew Busby for George Hoffman, | Tom Martinsen, Paradise Valley |
| Apache Junction | Carl Swenson for Terry Ellis, Peoria |
| * Jeanine Guy, Buckeye | Karen Peters for Frank Fairbanks, Phoenix |
| * Jon Pearson, Carefree | # John Kross, Queen Creek |
| Wayne Anderson for Usama Abujbarah, | * Bryan Meyers, Salt River |
| Cave Creek | Pima-Maricopa Indian Community |
| Mark Pentz, Chandler | Jim Rumpeltes, Surprise |
| Dr. Spencer Isom for B.J. Cornwall, | Shelley Hearn for Tempe |
| El Mirage | * Reyes Medrano, Tolleson |
| Alfonso Rodriguez, Fort McDowell | # Gary Edwards, Wickenburg |
| Yavapai Nation | * Lloyce Robinson, Youngtown |
| Tim Pickering, Fountain Hills | # Dale Buskirk for Victor Mendez, ADOT |
| * Lynn Farmer, Gila Bend | * David Smith, Maricopa County |
| Pamela Johnson for Joseph Manuel, | Chris Curcio for David Boggs, |
| Gila River Indian Community | Valley Metro/RPTA |

* Those members neither present nor represented by proxy.

Participated by telephone conference call.

+ Participated by videoconference call.

MAG Specifications and Details Committee. Reviewed and provided recommendations for the cases submitted for consideration throughout 2007.

VOTING MEMBERS

Robert Herz, P.E., RLS, Maricopa County DOT,
Chairman

Jim Badowich, Avondale
Steven Borst P.E., Buckeye
David Fern, P.E., Chandler
Kelli Kurtz, Gilbert
Tom Kaczmarowski, Glendale
Troy Tobiasson, Goodyear

Gordon Haws, Mesa
Jesse Gonzales, Peoria
Jeff Van Skike, P.E., Phoenix (Street Trans.)
Jami Erickson, Phoenix (Water)
Gerald Wright, Queen Creek
Rodney Ramos, P.E., Scottsdale
Don Moseley, Surprise
James E. Bond, P.E., Tempe

ADVISORY MEMBERS

John Ashley, ACA
Brian Gallimore, AGC
Jeff Benedict, AGC
Don Green, ARPA
Don Cornilson, ARPA

Paul Nebeker, Independent
Dale Phelan, NUCA
William Ast, NUCA
Peter Kandarlis, SRP Engineering

CONTACT PERSON:

Gordon Tyus, MAG, (602) 254-6300

The following table lists the cases submitted and the recommendations as shown:

**MARICOPA ASSOCIATION OF GOVERNMENTS
SPECIFICATIONS AND DETAILS COMMITTEE
SUMMARY OF RECOMMENDATIONS FOR 2007 CASES FOR CONSIDERATION**

| Case | Description | Recommended Action |
|-------------|---|---------------------------|
| 06-04 | Reduced Cement Content for Reinforced Concrete Pipe (RCP) Mixes | Approval |
| 07-01 | Miscellaneous Bloopers, Cases A, B, C and D | Approval |
| 07-02 | Revision/Rewrite of Asphalt Paving and Materials, Section 710 and Section 321 | Carry Forward |
| 07-03 | PVC Catch Basins – New Details 535-2, 535-3, 537-2, 539-2, 542-1 through 4 and 543-1 through 5 | Carry Forward |
| 07-04 | Section 631.3.5 Service Taps – Revise dielectric insulator requirements | Approval |
| 07-05 | Detail 360 – Revise to allow restrained joints | Approval |
| 07-06 | Revision to Section 104 Scope of Work | Approval |
| 07-07 | Revision to Section 109 Measurements and Payments | Approval |
| 07-08 | Revision to Section 615 Sewer Line Construction – Clarify tolerances for pipe versus trench bottom | Carry Forward |
| 07-09 | Detail 145, Safety Rail – Adding reinforcement requirement for anchor types 1, 2 and 3 | Approval |
| 07-10 | Deletion of Obsolete or Unused Details 1. Delete Type 'C' from Detail 201 Pavement Section at Termination 2. Delete the Curb Warning Beacon from Detail 221 Curb and Gutter | Approval |
| 07-11 | Revision to Detail 370, Vertical Realignment of Water Mains | Carry Forward |

| Case | Description | Recommended Action |
|-------|--|--------------------|
| 07-12 | Revision to Detail 404-2, Water & Sanitary Sewer Separation/Protection | Carry Forward |
| 07-13 | Revisions to Section 756, Fire Hydrants | Approval |
| 07-14 | Revisions to Section 505, Concrete Structures | Approval |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 06-04 |
| Section/Detail: | Section 735 |
| Title: | Reduced Cement Content for Reinforced Concrete Pipe (RCP) Mixes |
| Sponsor: | City of Chandler |
| Advisor: | David Fern |

DISCUSSION:

This case proposed making revisions to Section 735 Reinforced Concrete Pipe, by using the ASTM C76 requirements for fly ash and cement and eliminating MAG changes to the minimum fly ash percentage and minimum cement content. This change would delete the prescriptive elements of the specification (Section 735.4 parts B and C) resulting in a performance based specification. Pipe performance requirements would remain unchanged.

The committee had concerns that reducing the cement content may effect pipe strength. Pipe manufacturers presented information on new mix designs that can achieve the desired strength without necessarily adding more concrete. Other concerns included strength characteristics of the pipe if not fully cured upon delivery. To ensure quality, the City of Phoenix tests all pipe prior to acceptance.

Other agencies such as ADOT and SRP presently use the mix design as provided by ASTM C76 without any modifications, and estimate that the cost reduction is about 5%-10% for the ASTM mix versus the MAG modified mix. This change would allow the MAG specification to conform to ASTM C76 industry standards.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|---|
| Submittal Date: | May 3, 2006 | Vote Summary: | Affirmative: | 9 |
| Vote Date: | September 5, 2007 | | Negative: | 2 |
| | | | Abstention: | 0 |

**RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE**

October 8, 2007

GENERAL INFORMATION:

Case Number: 07-01
Section/Detail: Details 222, 510, 535 and Section 105.5
Title: Miscellaneous Bloopers, Cases A, B, C and D
Sponsor: Maricopa County Department of Transportation, City of Tempe
Advisor: Bob Herz, Jim Bond

DISCUSSION:

Case 07-01 corrected several minor drafting or typographical errors in four sub-cases:

Case A – Corrected the Catch Basin Type F wall thickness in detail 535 to match the 8” thickness noted elsewhere on the detail.

Case B – Detail 222, Corrected the Single Curb Type A height dimensions in the section view.

Case C – Section 105.5, Corrected wording in first sentence to add the missing word “site.”

Case D – Detail 510, Corrected dimension from metric to English units.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-----------------|---------------|--------------|---|
| Submittal Date: | January 3, 2007 | Vote Summary: | Affirmative: | 8 |
| Vote Date: | August 1, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-02 |
| Section/Detail: | Section 321 and Section 710 |
| Title: | Revisions/Rewrite of Asphalt Concrete Pavement and Materials |
| Sponsor: | Arizona Rock Products Association (ARPA) |
| Advisor: | Don Green, Jeff Benedict |

DISCUSSION:

The Asphalt Paving Technical Committee (APTC) proposed major revisions to Sections 321 and 710 concerning asphalt pavement and related materials. Numerous changes were proposed in terms of section formatting, making the specifications more consistent with national and regional standards, use of design mixes; revisions to aggregate and anti-stripping requirements; more consistent terminology; and modifications to mix design criteria.

This case also moves language currently in Section 710 (Materials) to Section 321 where appropriate. The APTC has received written comments from agency members and ARPA has hosted a workshop to solicit feedback from agencies.

Due to the large number of changes and highly technical nature of the case, it is recommended that this case be carried over to 2008. This will allow additional workshops, agency feedback from technical experts, and further refinement of the language in the rewritten specifications.

RECOMMENDATION:

The MAG Standard Specifications and Details Committee recommends carrying forward this case for further discussion in 2008.

Submittal Date: February 7, 2007

Vote Date: No vote taken.

Vote Summary: Affirmative: 0

Negative: 0

Abstention: 0

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|---|
| Case Number: | 07-03 |
| Section/Detail: | Details 535-2, 535-3, 537-2, 539-2, 542-1 through 4, and 543-1 through 5. |
| Title: | PVC Catch Basins – Proposed New Details |
| Sponsor: | National Utility Contractors Association of Arizona (NUCA) |
| Advisor: | Dale Phelan |

DISCUSSION:

Currently MAG includes several details for catch basins constructed from concrete and their matching grates. Catch basins constructed using PVC pipe and other related materials have come into common use in private industry, yet the MAG specifications provide no option for their use.

Case 07-03 proposes to add a series of catch basin details constructed from PVC pipe for use in the MAG region. Feedback from the committee included questions on the strength of the material when used in public right-of-way applications as well as suggestions for better presentation of the details. A sample catch basin and grill was brought in for members to inspect, and technical specifications on its strength and materials were provided.

The sponsors were requested to more fully dimension and annotate proposed details, including dimension tolerances, material requirements, grate angle tolerances and details of the sump. It was suggested the drawings needed more revisions in order to be constructed without any reference to a specific manufacturer in a manner consistent with the existing MAG concrete catch basin details. Additional changes suggested by the committee included changing references to other MAG details, inclusion of backfills and bedding depths, and including definitions for abbreviations not referenced in Section 101. This case is proposed to be carried over to 2008 to allow revisions and refinements of the proposed detail drawings.

RECOMMENDATION:

The MAG Standard Specifications and Details Committee recommends carrying forward this case for further discussion in 2008.

| | | | | |
|-----------------|------------------|---------------|--------------|---|
| Submittal Date: | February 7, 2007 | Vote Summary: | Affirmative: | 0 |
| Vote Date: | No vote taken. | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|---|
| Case Number: | 07-04 |
| Section/Detail: | Section 631.3.5 |
| Title: | Service Taps – Revise dielectric insulator requirements |
| Sponsor: | City of Mesa |
| Advisor: | Kelly Jensen, Gordon Haws |

DISCUSSION:

Case 07-04 proposed removing the requirement of the insulation of copper service pipe at corporation stops with dielectric insulators. This change would make Section 631.3.5 more consistent with field practices where it is generally not required. The Phoenix representative noted that the insulators were required for installations around the light rail system. However, since Metro Rail has developed its own supplemental specifications for the light rail system, it should not be a problem removing it from the MAG specifications.

The representative from Mesa proposed that a new detail showing water meter box construction could be introduced next year to further clarify the issue, but that the change in the written specification described above should be considered as a separate case.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|---|
| Submittal Date: | February 7, 2007 | Vote Summary: | Affirmative: | 8 |
| Vote Date: | September 5, 2007 | | Negative: | 1 |
| | | | Abstention: | 2 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|---|
| Case Number: | 07-05 |
| Section/Detail: | Detail 360 |
| Title: | Fire Hydrant Installation – Revise to allow restrained joints |
| Sponsor: | City of Mesa |
| Advisor: | Kelly Jensen |

DISCUSSION:

MAG Detail 360: Fire Hydrant Installation currently shows thrust blocks as the method of supporting the hydrant system. Case 07-05 proposed adding a new note to allow the use of joint restraint systems. This would make the detail more consistent with field practices.

Members suggested several additional changes to the detail such as changing the note C.I.P. to D.I.P. (for Ductile Iron Pipe). Other proposed revisions to Detail 360 included modifying it to show the mechanical joint restrain system as in Peoria Detail PE-360-1.

The representative from Mesa proposed that the case be limited to the original proposal to add a new note allowing the use of a joint restraint system and other drafting corrections. The representative from Peoria stated that a new detail showing a wet barrel hydrant installation could be introduced next year.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|-----------|
| Submittal Date: | February 7, 2007 | Vote Summary: | Affirmative: | 12 |
| Vote Date: | September 5, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-06 |
| Section/Detail: | Section 104, Section 102.2 |
| Title: | Revisions to Scope of Work |
| Sponsor: | Maricopa County Department of Transportation |
| Advisor: | Bob Herz |

DISCUSSION:

Case 07-06 proposed adding a list to define the order of precedence for contract documents, and elimination of gender-specific wording in Section 104: Scope of Work. After discussion on the variations of type and terminology of special provisions within different agencies, members reviewed their internal contract documents and agreed on the terminology and the order proposed in this case.

Changes also included making revisions to Section 102.2 to have the order of precedence for bid documents match that of the contract documents.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|-----------|
| Submittal Date: | March 7, 2007 | Vote Summary: | Affirmative: | 13 |
| Vote Date: | September 5, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-07 |
| Section/Detail: | Section 109 |
| Title: | Revision to Measurements and Payments |
| Sponsor: | Maricopa County Department of Transportation |
| Advisor: | Bob Herz |

DISCUSSION:

Case 07-07 proposed several changes to Section 109 including: clarification of language when duplicate Weighmaster's Certificates are to be provided to the Engineer, clarification on payment rate calculations, and adding references to state statutes that govern retention requirements for alternative procurement delivery methods.

Members remarked that including a specific payment rate factor will require MAG to update the standard anytime ADOT makes changes and suggested the wording be modified so that the section references the current rate factor without specifying a number. Further research determined that the rate has not changed and so it was decided to leave the payment rate in the specification to save users from additional reference.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|----------------|---------------|--------------|---|
| Submittal Date: | March 7, 2007 | Vote Summary: | Affirmative: | 8 |
| Vote Date: | August 1, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

**RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE**

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|---|
| Case Number: | 07-08 |
| Section/Detail: | Section 615 |
| Title: | Revision to Section 615 Sewer Line Construction – Clarify tolerances for pipe versus trench bottom. |
| Sponsor: | Town of Queen Creek |
| Advisor: | Gerald Wright |

DISCUSSION:

Case 07-08 proposed to clarify language for pipe and grade tolerances. Presently, Section 615 gives trench bottom grade tolerances, but does not specify pipe flow line tolerances. With the use of closed circuit T.V. inspection it is possible to make direct measurements inside the pipe. Use of trench grade tolerances could result in pipe flow problems if pipe is set to the same grade ranges.

The proposed addition included a paragraph describing water ponding tolerances inside sewer pipe as measured by video inspection. The committee agreed that there is a need for this case since there is no standard for present field practices using video inspection of pipes. Advisory members explained the necessity for more work on the proposed changes since they do not address equipment calibration or technician qualifications, nor is there uniform agreement on the proposed tolerance limits. There was general agreement that video-based tolerances were also needed for manholes and pipe inverts.

To address these outstanding issues, the committee agreed to carry over this case to next year.

RECOMMENDATION:

The MAG Standard Specifications and Details Committee recommends carrying forward this case for further discussion in 2008.

| | | | | |
|-----------------|----------------|---------------|--------------|---|
| Submittal Date: | May 2, 2007 | Vote Summary: | Affirmative: | 0 |
| Vote Date: | No vote taken. | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-09 |
| Section/Detail: | Detail 145 |
| Title: | Revision to Safety Rail |
| Sponsor: | Maricopa County Department of Transportation |
| Advisor: | Bob Herz |

DISCUSSION:

Case 07-09 proposed adding notes and revising connection details for the use of rail anchor types 1, 2 and 3 on Detail 145: Safety Rail. This detail is improperly being used to add railings on top of non-reinforced or singularly reinforced headwalls and wing walls where the anchorage fails due to concrete breakout. It was suggested that the anchorage details be revised to show the anchors embedded in reinforced concrete inside the steel cage.

To avoid confusion in the field, notes were added to clarify that the railing was not to be used on non-reinforced or singularly reinforced walls such as standard MAG headwalls.

Detail 145 was revised to add the appropriate notes and to more clearly show the steel reinforcement and wall thickness for anchorage details types 1, 2 and 3.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|----|
| Submittal Date: | June 2, 2007 | Vote Summary: | Affirmative: | 12 |
| Vote Date: | September 5, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

**RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE**

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-10 |
| Section/Detail: | Detail 201, Detail 221 |
| Title: | Deletion of Obsolete or Unused Details |
| Sponsor: | Maricopa County Department of Transportation |
| Advisor: | Bob Herz |

DISCUSSION:

Case 07-10 proposed the deletion of obsolete or unused details including:

1. Delete Type 'C' from Detail 201 Pavement Section at Termination. The use of a redwood stake as a pavement termination is no longer standard practice.
2. Delete the Curb Warning Beacon from Detail 221 Curb and Gutter. This detail is no longer being used by any jurisdiction.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-------------------|---------------|--------------|-----------|
| Submittal Date: | June 2, 2007 | Vote Summary: | Affirmative: | 13 |
| Vote Date: | September 5, 2007 | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|-------------------------------------|
| Case Number: | 07-11 |
| Section/Detail: | Detail 370 |
| Title: | Vertical Realignment of Water Mains |
| Sponsor: | City of Peoria |
| Advisor: | Jesse Gonzales |

DISCUSSION:

Case 07-11 proposed including an option for realignment of a ductile iron mechanical joint in MAG Detail 370 by adding notes: *One continuous joint of pipe 20' (18' nominal) with bell cut off or equivalent pipe to be used at undercrossing between 45s; and Joints shall be restrained back from 45s per MAG 303-1 and 303-2 or sealed restraint calculations will be required.*

The committee discussed lengths required for retrofit projects, use of both joint restraints and thrust blocks, and minimum clearances for sewer crossings.

Upon the request of the sponsor, the committee agreed to carry this case forward to next year.

RECOMMENDATION:

The MAG Standard Specifications and Details Committee recommends carrying forward this case for further discussion in 2008.

| | | | | |
|-----------------|---------------|---------------|--------------|---|
| Submittal Date: | June 6, 2007 | Vote Summary: | Affirmative: | 0 |
| Vote Date: | No vote taken | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|--|
| Case Number: | 07-12 |
| Section/Detail: | Detail 404-2 |
| Title: | Revision to Water and Sanitary Sewer Separation/Protection |
| Sponsor: | City of Peoria |
| Advisor: | Jesse Gonzales |

DISCUSSION:

Case 07-12 proposed adding language to clarify the location of pipe and joint restraints to insure that fittings/couplings do not fail and create cross-contamination between sewer and water line crossing.

It was proposed to revise Detail 404-2: Water and Sanitary Sewer Separation/Protection to more accurately show and note that pipe joints are 20' (18' nominal) apart, and that the pipes are shown properly restrained outside of the restricted zone.

The committee noted that both new and retrofit work still need to be addressed.

Upon the request of the sponsor, the committee agreed to carry this case forward to next year to provide additional review and detail drawing updates.

RECOMMENDATION:

The MAG Standard Specifications and Details Committee recommends carrying forward this case for further discussion in 2008.

| | | | | |
|-----------------|---------------|---------------|--------------|---|
| Submittal Date: | June 6, 2007 | Vote Summary: | Affirmative: | 0 |
| Vote Date: | No vote taken | | Negative: | 0 |
| | | | Abstention: | 0 |

RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE

October 8, 2007

GENERAL INFORMATION:

| | |
|-----------------|---------------------------|
| Case Number: | 07-13 |
| Section/Detail: | Section 756 |
| Title: | Revision to Fire Hydrants |
| Sponsor: | City of Phoenix |
| Advisor: | Jami Erickson |

DISCUSSION:

Case 07-13 proposed to modify Section 756 by providing performance criteria that will reduce maintenance and operation issues with fire hydrants. The result of these revisions will be to reduce the number of fire hydrant types that would be allowed.

A presentation was provided to the committee describing the City of Phoenix fire hydrant maintenance program and the need to better standardize equipment.

The revised specification incorporates requested modifications including: the option of agencies to have their own approved product list, maintenance requirements allowing work to be done without removing the entire upper barrel section, burial depth requirements, and 304 stainless steel nut and bolt requirements. It was agreed that the wording would be changed so that hydrants would be suitable for installation in a 42 to 66 inch depth of bury.

The revised Section 756 was re-titled to include only dry barrel fire hydrants. A future case could be presented for the wet barrel option.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-----------------|---------------|--------------|----------|
| Submittal Date: | July 11, 2007 | Vote Summary: | Affirmative: | 9 |
| Vote Date: | October 3, 2007 | | Negative: | 0 |
| | | | Abstention: | 1 |

**RECOMMENDATION SUMMARY
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
STANDARD SPECIFICATIONS AND DETAILS COMMITTEE**

October 8, 2007

GENERAL INFORMATION:

Case Number: 07-14
Section/Detail: Sections 101-2, 105-2, 206 and 505
Title: Concrete Structures
Sponsor: Maricopa County Department of Transportation
Advisor: Bob Herz

DISCUSSION:

Case 07-14 proposed to modify Section 505: Concrete Structures to incorporate the supplement used by Maricopa County. Additional changes to Sections 101.2, 105.2 and 206 will result from the proposed changes to Section 505.

Section 505

1. Define MINOR STRUCTURES as structures that may be cast-in-place or furnished as precast units.
2. Defines construction tolerances.
3. Bending of reinforcing steel is revised to reference the AASHTO LRFD Bridge Construction Specifications.
4. Adds new section to define placement and anchorage requirements for Dowels.
5. Requires certification of falsework by the Contractor's Professional Engineer.
6. Addresses Bridge Deck Joint Assemblies.
7. Adds a MEASUREMENT section and expands the payment section. Revisions to the following sections are included in this case due to references from proposed revisions of section 505:
101.2 DEFINITIONS AND TERMS
– Added definition for Professional Engineer
105.2 PLANS AND SHOP DRAWINGS
– Adds the requirement that shop drawings for temporary support structures be sealed by a professional engineer.
206 STRUCTURE EXCAVATION AND BACKFILL (Revised 9/17/2007)
– Defines structural backfill requirements based on conditions of use.
– Allows structural excavation and structural backfill to be pay items and defines criteria for measurement and payment.

RECOMMENDATION:

Based on the following data, the MAG Standard Specifications and Details Committee recommends approval of this case.

| | | | | |
|-----------------|-----------------|---------------|--------------|---|
| Submittal Date: | July 11, 2007 | Vote Summary: | Affirmative: | 8 |
| Vote Date: | October 3, 2007 | | Negative: | 0 |
| | | | Abstention: | 3 |

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

December 11, 2007

SUBJECT:

Approval of the Draft July 1, 2007 Maricopa County and Municipality Resident Population Updates

SUMMARY:

MAG staff has prepared draft July 1, 2007, Maricopa County and Municipality Resident Population Updates. The Updates were prepared using the 2005 Census Survey for Maricopa County as the base and housing unit data supplied and verified by MAG member agencies. The method used to calculate the updates was approved by the MAG Population Technical Advisory Committee (POPTAC). Because the July 1, 2007 County control total prepared by the Arizona Department of Economic Security (DES) was draft when considered by the MAG POPTAC and Management Committee, it was recommended for approval provided that the draft Maricopa County control total is within one percent of the final control total. The final county control total was approved by the State Population Technical Advisory Committee on December 7, 2007 and is within one percent of the final control total. The final July 1, 2007 Maricopa County and municipality resident population updates are enclosed. The Updates are used to allocate \$23 million in lottery funds to local jurisdictions, prepare local budgets and set expenditure limitations.

The Director of DES is required to forward the Updates to the Economic Estimates Commission by December 15th of each year.

PUBLIC INPUT:

None.

PROS & CONS:

PROS: The July 1, 2007 Maricopa County and Municipality Resident Population Updates are needed to gauge growth in the region, distribute \$23 million in lottery funds to cities and towns, prepare budgets and set expenditure limitations.

CONS: None.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: The July 1, 2007 Maricopa County and Municipality Resident Population Updates have been prepared using a methodology that is consistent for all counties and municipalities in the State of Arizona.

POLICY: The July 1, 2007 Maricopa County and Municipality Resident Population Updates are needed by local officials to accommodate and budget for growth.

ACTION NEEDED:

Approval of the July 1, 2007 Maricopa County and Municipality Resident Population Updates.

PRIOR COMMITTEE ACTIONS:

MAG Management Committee: On November 7, 2007, the MAG Management Committee unanimously recommended approval of the July 1, 2007 Maricopa County and Municipality Resident Population Updates provided that the Maricopa County control total is within one percent of the final control total.

MEMBERS ATTENDING

| | |
|--------------------------------------|---|
| George Pettit, Gilbert, Acting Chair | Horatio Skeete for Ed Beasley, Glendale |
| Bridget Schwartz- Manock for | Mark Brown for Brian Dalke, Goodyear |
| Jan Dolan, Scottsdale, Chair | Mark Johnson, Guadalupe |
| Rogene Hill for Charlie McClendon, | Darryl Crossman, Litchfield Park |
| Avondale, Vice Chair | Scott Butler for Christopher Brady, Mesa |
| # Matthew Busby for George Hoffman, | Tom Martinsen, Paradise Valley |
| Apache Junction | Carl Swenson for Terry Ellis, Peoria |
| * Jeanine Guy, Buckeye | Karen Peters for Frank Fairbanks, Phoenix |
| * Jon Pearson, Carefree | # John Kross, Queen Creek |
| Wayne Anderson for Usama Abujbarah, | * Bryan Meyers, Salt River |
| Cave Creek | Pima-Maricopa Indian Community |
| Mark Pentz, Chandler | Jim Rumpeltes, Surprise |
| Dr. Spencer Isom for B.J. Cornwall, | Shelley Hearn for Tempe |
| El Mirage | * Reyes Medrano, Tolleson |
| Afonso Rodriguez, Fort McDowell | # Gary Edwards, Wickenburg |
| Yavapai Nation | * Lloyce Robinson, Youngtown |
| Tim Pickering, Fountain Hills | # Dale Buskirk for Victor Mendez, ADOT |
| * Lynn Farmer, Gila Bend | * David Smith, Maricopa County |
| Pamela Johnson for Joseph Manuel, | Chris Curcio for David Boggs, |
| Gila River Indian Community | Valley Metro/RPTA |

* Those members neither present nor represented by proxy.

Participated by telephone conference call.

+ Participated by videoconference call.

MAG POPTAC: On October 23, 2007, the MAG Population Technical Advisory Committee unanimously recommended approval of the July 1, 2007 Maricopa County and Municipality Resident Population Updates provided that the Maricopa County control total is within one percent of the final control total.

Member/Proxy

| | |
|---|---------------------------------------|
| George Pettit, Gilbert, Chairman | * Guadalupe: Mark Johnson |
| * Apache Junction: Bryant Powell | * Litchfield Park: Sunny Culbreth |
| Avondale: John Vader | Mesa: Wahid Alam |
| Buckeye: Brian Rose | # Paradise Valley: Molly Hood |
| * Cave Creek: Usama Abujbarah | Peoria: Carolyn Ruiz |
| Chandler: Jason Crampton | Phoenix: Tim Tilton |
| El Mirage: Mark Smith | Queen Creek: Shawny Ekadis |
| # Fountain Hills: Ken Valverde | Scottsdale: Harry Higgins |
| * Gila River Indian Community: Terry Yergan | Surprise: Janice See |
| * Gila Bend: Bev Turner | Tempe: Sherri Lesser for Lisa Collins |
| * Glendale: Thomas Ritz | # Youngtown: Vince Micallef |
| * Goodyear: Katie Wilken | * Wickenburg: Miles Johnson |
| | Maricopa County: John Verdugo |

*Those not present

Participated via audioconference

MAG POPTAC Ad Hoc Subcommittee: On October 23, 2007, the MAG Population Technical Advisory Committee Ad Hoc Subcommittee unanimously recommended approval of the Maricopa County and Municipality July 1, 2007 Resident Population Updates provided that the final update is within one percent of 3,904,828 people.

Member/Proxy*

Tim Tilton, Chairman, Phoenix

Scottsdale: Harry Higgins

Chandler: Jason Crampton

* Glendale: Thomas Ritz

Mesa: Wahid Alam

* Tempe: Lisa Collins

Maricopa County: John Verdugo

*Those not present

CONTACT PERSON:

Harry Wolfe or Anubhav Bagley, MAG, (602) 254-6300.

DRAFT

**POPULATION BY JURISDICTION
2005 CENSUS SURVEY AND JULY 1, 2007**

| Jurisdiction | Total Population | | | Percent Growth | | Share | |
|-------------------|--------------------------------------|------------------|----------------|----------------|-------------|--------------------|--------------------|
| | September 1, 2005 (Census Survey) | July 1, 2007 | Change | Overall | Annual | Share of Growth | Share of County |
| Apache Junction * | 275 | 276 | 1 | 0.3% | 0.2% | 0.0% | 0.0% |
| Avondale | 69,356 | 75,180 | 5,824 | 8.4% | 4.5% | 2.9% | 1.9% |
| Buckeye | 25,406 | 40,273 | 14,867 | 58.5% | 28.6% | 7.3% | 1.0% |
| Carefree | 3,684 | 3,868 | 184 | 5.0% | 2.7% | 0.1% | 0.1% |
| Cave Creek | 4,766 | 5,025 | 259 | 5.4% | 2.9% | 0.1% | 0.1% |
| Chandler | 230,845 | 241,073 | 10,228 | 4.4% | 2.4% | 5.0% | 6.2% |
| El Mirage | 32,061 | 33,563 | 1,502 | 4.7% | 2.5% | 0.7% | 0.9% |
| Fort McDowell | 824 | 824 | 0 | 0.0% | 0.0% | 0.0% | 0.0% |
| Fountain Hills | 24,492 | 25,527 | 1,035 | 4.2% | 2.3% | 0.5% | 0.7% |
| Gila Bend | 1,808 | 1,890 | 82 | 4.6% | 2.5% | 0.0% | 0.0% |
| Gila River * | 2,742 | 2,742 | 0 | 0.0% | 0.0% | 0.0% | 0.1% |
| Gilbert | 173,072 | 203,262 | 30,190 | 17.4% | 9.2% | 14.8% | 5.2% |
| Glendale | 242,369 | 246,029 | 3,660 | 1.5% | 0.8% | 1.8% | 6.3% |
| Goodyear | 46,213 | 55,829 | 9,616 | 20.8% | 10.9% | 4.7% | 1.4% |
| Guadalupe | 5,555 | 5,606 | 51 | 0.9% | 0.5% | 0.0% | 0.1% |
| Litchfield Park | 4,528 | 5,048 | 520 | 11.5% | 6.1% | 0.3% | 0.1% |
| Mesa | 448,096 | 456,238 | 8,142 | 1.8% | 1.0% | 4.0% | 11.7% |
| Paradise Valley | 13,863 | 14,211 | 348 | 2.5% | 1.4% | 0.2% | 0.4% |
| Peoria * | 138,109 | 151,368 | 13,259 | 9.6% | 5.1% | 6.5% | 3.9% |
| Phoenix | 1,475,834 | 1,537,760 | 61,926 | 4.2% | 2.3% | 30.3% | 39.4% |
| Queen Creek * | 15,916 | 21,293 | 5,377 | 33.8% | 17.2% | 2.6% | 0.5% |
| Salt River | 6,796 | 6,834 | 38 | 0.6% | 0.3% | 0.0% | 0.2% |
| Scottsdale | 234,752 | 240,057 | 5,305 | 2.3% | 1.2% | 2.6% | 6.1% |
| Surprise | 88,265 | 104,681 | 16,416 | 18.6% | 9.8% | 8.0% | 2.7% |
| Tempe | 165,796 | 167,845 | 2,049 | 1.2% | 0.7% | 1.0% | 4.3% |
| Tolleson | 6,498 | 6,678 | 180 | 2.8% | 1.5% | 0.1% | 0.2% |
| Wickenburg | 6,077 | 6,376 | 299 | 4.9% | 2.7% | 0.1% | 0.2% |
| Youngtown | 6,163 | 6,330 | 167 | 2.7% | 1.5% | 0.1% | 0.2% |
| Balance of County | 226,355 | 239,142 | 12,787 | 5.6% | 3.0% | 6.3% | 6.1% |
| Total | 3,700,516 | 3,904,827 | 204,311 | 5.5% | 3.0% | 100.0% | 100.0% |

Note: These figures are preliminary and are subject to change. Totals may not add due to rounding.

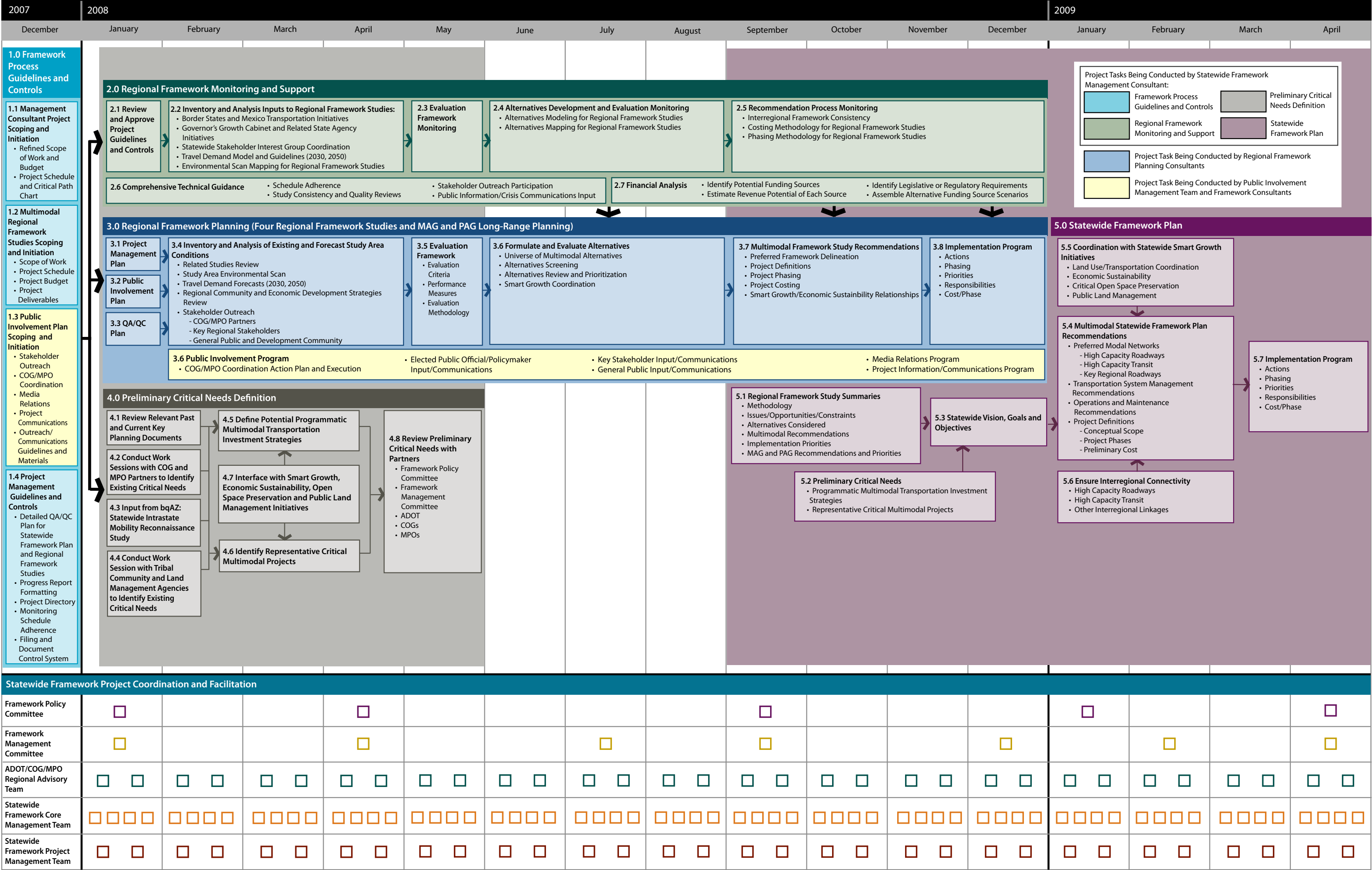
* Maricopa County portion only

Sources: U.S. Bureau of the Census Year 2000 Census and Maricopa Association of Governments
Prepared by the Maricopa Association of Governments, October, 2007

DRAFT

Figure 2. Work Program/Project Schedule

DRAFT - FOR DISCUSSION PURPOSES ONLY.





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Phone (602) 254-6300 ▲ FAX (602) 254-6490
E-mail: mag@mag.maricopa.gov ▲ Web site: www.mag.maricopa.gov

December 11, 2007

TO: Members of the MAG Regional Council

FROM: Lindy Bauer, Environmental Director

SUBJECT: FIVE PERCENT PLAN FOR PM-10

The MAG 2007 Five Percent Plan for PM-10 is due to the Environmental Protection Agency by December 31, 2007. Collectively, the plan includes fifty-three committed control measures. The plan demonstrates that the committed measures will reduce PM-10 emissions by at least five percent per year and demonstrates attainment of the PM-10 standard as expeditiously as practicable which is 2010. A public hearing will be conducted on the draft plan on December 12, 2007. Following the consideration of public comments, the MAG Air Quality Technical Advisory Committee may make a recommendation on December 17, 2007. The MAG Regional Council may take action on the plan on December 19, 2007.

In order to reduce PM-10, a broad range of commitments to implement measures were received from the State, Maricopa County, and the twenty-three local governments in the PM-10 nonattainment area. Key measures used for numeric credit to meet the annual five percent reduction target in PM-10 emissions and the modeling attainment demonstration for 2010 include: Dust Managers/Coordinators at Earthmoving Sites; Increase Rule 310 and 316 Inspections; Extensive Dust Control Training; Conduct Nighttime and Weekend Inspections; Strengthen Rule 310 to Promote Continuous Compliance; Pave or Stabilize Dirt Shoulders; Pave or Stabilize Unpaved Parking Lots; Restrict Vehicle Use on Vacant Lots; Strengthen Rule 310.01 for Vacant Lots; and Recover the Cost of Stabilizing Vacant Lots.

As required by the Clean Air Act, the MAG 2007 Five Percent Plan for PM-10 also contains committed contingency measures which achieve emissions reductions beyond those measures relied upon for progress (five percent reductions, reasonable further progress, milestones) and attainment of the standard. The key contingency measures are: Pave or Stabilize Dirt Roads and Alleys; Sweep with PM-10 Certified Street Sweepers; Reduce Trackout Onto Paved Roads; Additional Five Million Dollars in FY 2007 MAG Federal Funds for Paving Dirt Roads and Shoulders; Agricultural Best Management Practices; 15 Mile Per Hour Speed Limits on Dirt Roads; Reduce Offroad Vehicle Use; Certification for Dust Free Developments; and Public Education and Outreach Program.

The Executive Summary for the plan and a resolution for adoption are attached. If you have any questions, please contact me at (602) 254-6300.

RESOLUTION TO ADOPT THE MAG 2007 FIVE PERCENT PLAN FOR PM-10
FOR THE MARICOPA COUNTY NONATTAINMENT AREA

WHEREAS, the Maricopa Association of Governments (MAG) is a Council of Governments composed of twenty-five cities and towns within Maricopa County and the contiguous urbanized area, the County of Maricopa, the Gila River Indian Community, the Salt River Pima-Maricopa Indian Community, Fort McDowell Yavapai Nation, Arizona Department of Transportation, and Citizens Transportation Oversight Committee; and

WHEREAS, the Governor of Arizona designated MAG as the regional air quality planning agency and metropolitan planning organization for transportation in Maricopa County; and

WHEREAS, the Maricopa County nonattainment area is classified as a Serious Area for PM-10 particulate matter according to the Clean Air Act; and

WHEREAS, the Five Percent Plan for PM-10 is required by the Clean Air Act since the Maricopa County nonattainment area failed to attain the PM-10 standard by December 31, 2006; and

WHEREAS, the plan is required to reduce PM-10 emissions by at least five percent per year until the standard is met; and

WHEREAS, MAG has prepared the Five Percent Plan for PM-10 for the Maricopa County Nonattainment Area; and

WHEREAS, A.R.S. 49-406 H. requires that the governing body of the metropolitan planning organization adopt the nonattainment area plan.

NOW THEREFORE, BE IT RESOLVED BY THE MARICOPA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL as follows:

SECTION 1. That the MAG Regional Council adopts the MAG 2007 Five Percent Plan for PM-10 for the Maricopa County Nonattainment Area which contains committed control measures from the State and local governments.

SECTION 2. That the MAG Regional Council further recommends implementation of the appropriate measures by the MAG cities and towns, Maricopa County, and the State of Arizona and authorizes the submission of the plan to the Arizona Department of Environmental Quality and the U.S. Environmental Protection Agency.

PASSED AND ADOPTED BY THE REGIONAL COUNCIL OF THE MARICOPA ASSOCIATION OF GOVERNMENTS THIS NINETEENTH DAY OF DECEMBER 2007.

James M. Cavanaugh, Chair
MAG Regional Council

ATTEST:

Dennis Smith
Executive Director

MAG 2007 FIVE PERCENT PLAN FOR PM-10 FOR THE MARICOPA COUNTY NONATTAINMENT AREA

EXECUTIVE SUMMARY



MAG 2007 FIVE PERCENT PLAN FOR PM-10 EXECUTIVE SUMMARY

Within the Maricopa County nonattainment area, the National Ambient Air Quality Standard has not yet been attained for PM-10 particulate pollution. The Maricopa Association of Governments was designated by the Governor of Arizona in 1978 and recertified by the Arizona Legislature in 1992 to serve as the Regional Air Quality Planning Agency to develop plans to address air pollution problems.

Based upon the 1990 Clean Air Act Amendments, the Maricopa County nonattainment area was initially classified as Moderate for PM-10 particulate pollution. However, on May 10, 1996, the nonattainment area was reclassified to Serious due to failure to attain the particulate standard by December 31, 1994. The Serious Area reclassification was effective on June 10, 1996.

The Revised MAG 1999 Serious Area Particulate Plan for PM-10 for the Maricopa County Nonattainment Area was submitted to the Environmental Protection Agency (EPA) in February 2000. On July 25, 2002, EPA published a notice of final approval for the plan. Collectively, the plan contained approximately seventy-seven committed control measures from the State and local governments. The plan demonstrated attainment of the PM-10 standard by December 31, 2006.

In order to be in attainment, the region needed three years of clean data at the monitors for 2004, 2005, and 2006. However, there were numerous exceedances of the 24-hour standard in 2005 and 2006. On June 6, 2007, EPA published a final notice with its findings that the Maricopa County nonattainment area had failed to attain the PM-10 standard by the federal deadline of December 31, 2006.

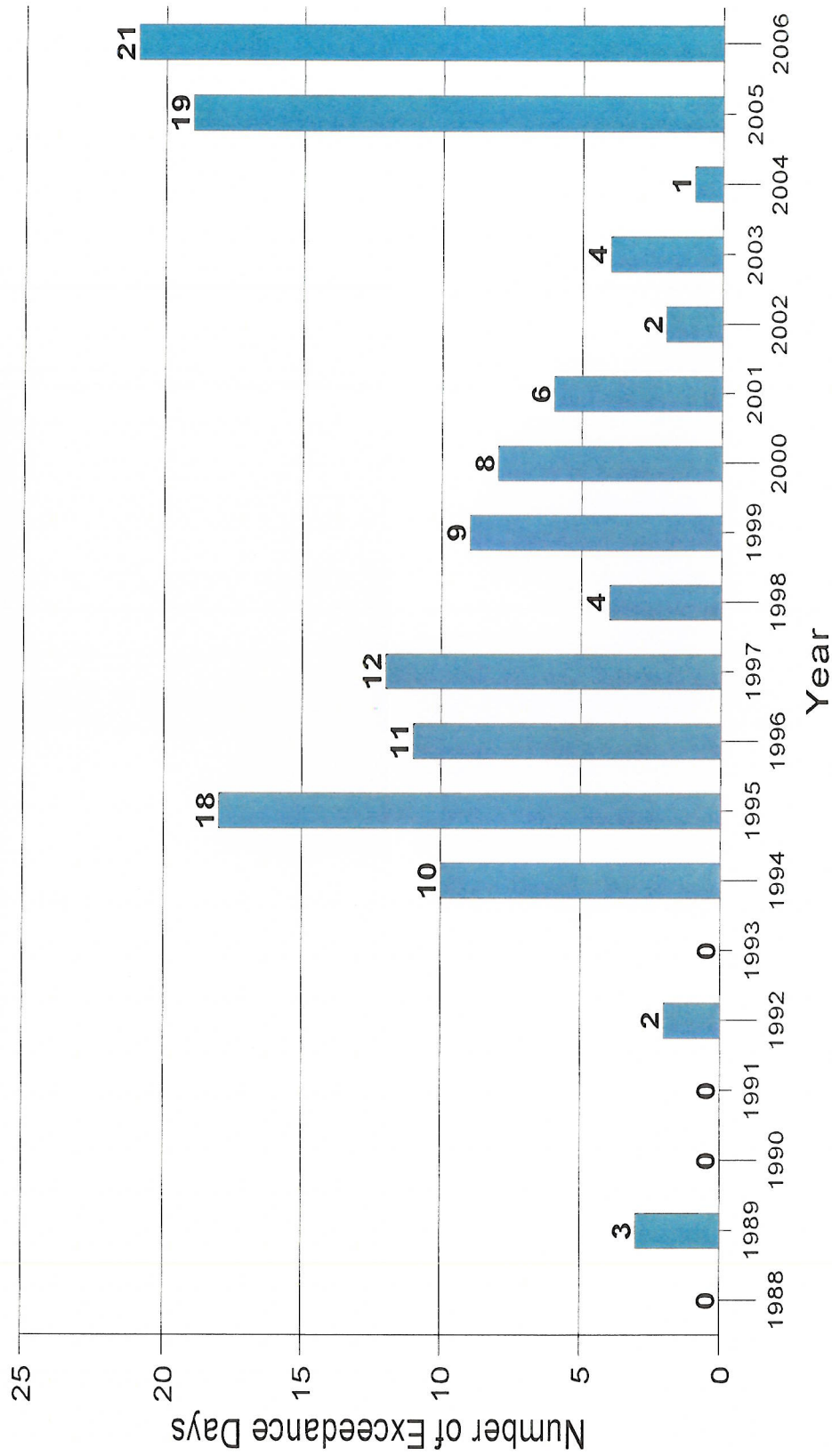
In accordance with Section 189 (d) of the Clean Air Act, the Five Percent Plan for PM-10 is due to the Environmental Protection Agency by December 31, 2007. The plan is required to reduce PM-10 emissions by at least five percent per year until the standard is attained as measured by the monitors. The Clean Air Act specifies that the plan must be based upon the most recent emissions inventory for the area and also include a modeling demonstration of attainment.

Particulate air pollution can occur throughout the year. The formation of PM-10 particulate pollution is dependent upon several factors. Among these factors are stagnant masses, severe temperature inversions in the winter, high winds in the summer, and fine, silty soils characteristic of desert locations. In the Maricopa County nonattainment area, particulate matter (PM-10) concentrations are elevated during various seasons of the year and under different weather conditions. The variability is due to the diverse composition of PM-10 and the sources contributing to this diversity.

The trend in PM-10 levels for the Maricopa County nonattainment area is presented in Figure ES-1. The 24-hour PM-10 standard is 150 micrograms per cubic meter. In 2004,

FIGURE ES-1

NUMBER OF 24-HOUR PM-10 EXCEEDANCE DAYS



Note: The Arizona Department of Environmental Quality began flagging natural and exceptional events in 2004. Exceedances that have been approved or are pending approval by EPA as natural or exceptional events have been removed from this chart.

Sources: 1988 - 1997 - Revised MAG 1999 Serious Area Particulate Plan for PM-10 for the Maricopa County Nonattainment Area, February 2000.
 1998 - 2006 - EPA Air Quality System; Maricopa County Network Reviews; ADEQ Air Quality Reports.

there was one exceedance day of the 24-hour standard. However, in 2005 there were 19 exceedance days and in 2006 there were 21 exceedance days of the 24-hour standard. Figure ES-2 indicates the monitors where exceedances occurred. The violations of the standard at the Bethune Elementary School, Durango Complex, and West 43rd Avenue monitors caused the region to fail to attain the PM-10 standard by the December 31, 2006 attainment date.

A rigorous planning effort was conducted to prepare the MAG 2007 Five Percent Plan for PM-10. An extensive Preliminary Draft Comprehensive List of Measures was compiled for evaluation. The MAG Analysis of Particulate Control Measure Cost Effectiveness report provided an evaluation of forty-six control measures. For each measure, the following information was prepared: narrative description; suggested implementing entity; estimate of the cost of implementation; estimate of the PM-10 emission reduction potential; estimate of the cost effectiveness (\$/ton of PM-10 reduced); and discussion of implementation issues and comments. In preparing the information for the analysis, measures from other PM-10 Serious Areas were reviewed and contacts were established. Relevant dust control literature reviews were performed to obtain data on measured emission reductions. Contacts were established with local agencies and businesses in Maricopa County to determine the cost of labor, equipment, materials, etc.

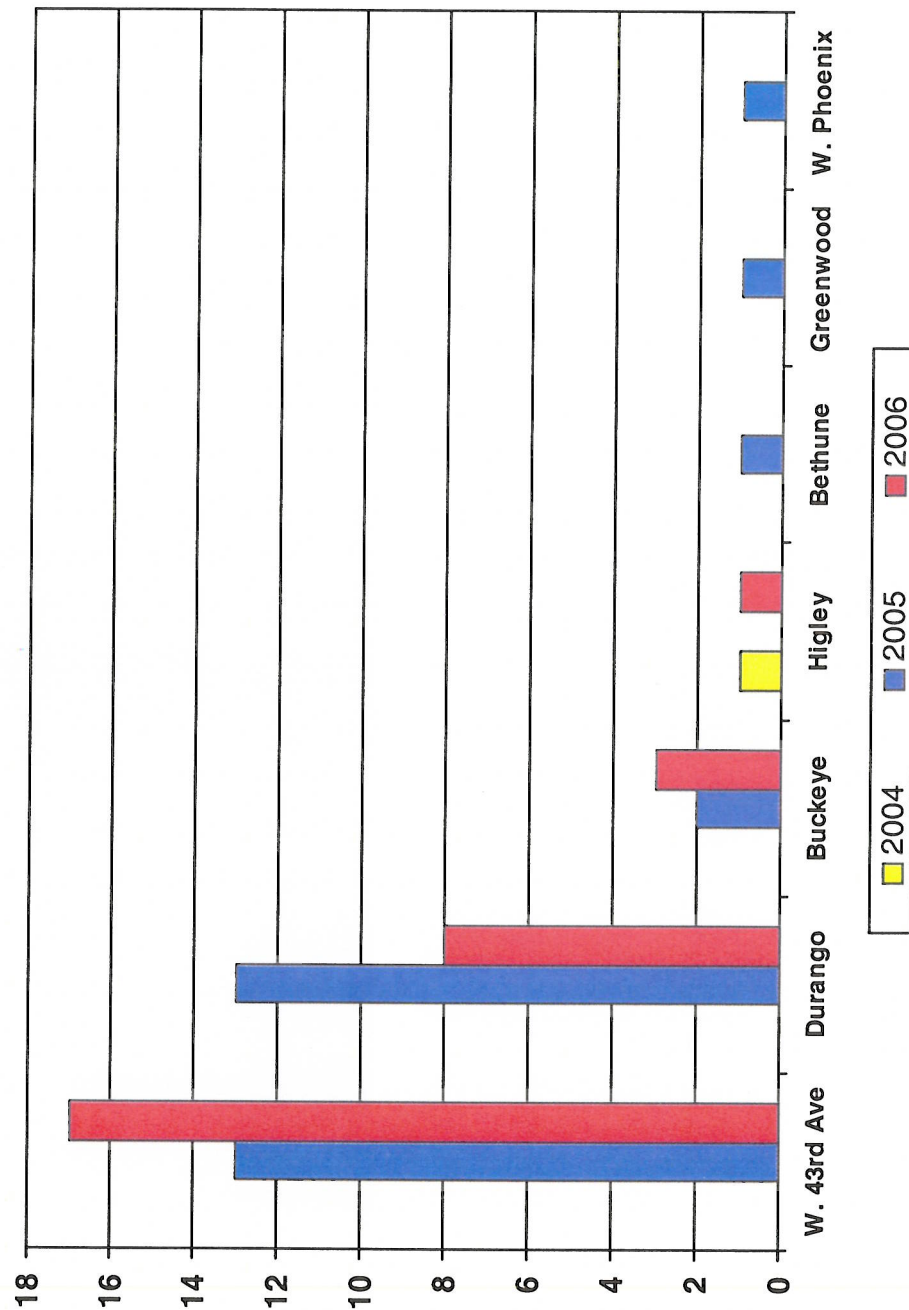
The MAG PM-10 Source Attribution and Deposition Study was another major study which provided information for the evaluation of control measures. The study was designed to identify the sources of emissions contributing to violations of the PM-10 standard at monitors in the nonattainment area during stagnant conditions and characterize the deposition of PM-10 particles emitted by these sources. The MAG consultants for the study were T&B Systems and Sierra Research. The key questions addressed in the study were:

1. Where are the specific source areas and/or sources in the Salt River region that contribute to the particulate matter (PM) loading at the Durango Complex and West 43rd monitoring sites?
2. To obtain useful results from models such as AERMOD, can the regional particle size distribution be characterized on an area basis (i.e., is there an area of uniformity that can be generalized?)
3. What are the causes of heavy PM loading during the morning hours at the Durango and West 43rd monitors? Are the diurnal variations of PM-10 and peaks due to reentrainment of paved road dust, or due to other activities in the surrounding areas that are coincident with traffic peaks?

The approach used for the study involved assessing existing meteorological and PM data; selecting monitoring tools; establishing a sampling plan; defining routes for mobile sampling; determining locations of meteorological data collection; selecting locations to investigate dispersion of roadway sources; conducting sampling in two phases;

FIGURE ES-2

EXCEEDANCES OF THE 24-HOUR PM-10 STANDARD AT MONITORS IN MARICOPA COUNTY



- Notes: 1. Exceedances are based on data from the EPA Air Quality System (AQS). Exceedances due to natural events have been removed from the AQS by EPA.
2. The exceedance at the Bethune, Greenwood, and W. Phoenix monitors occurred on 12/12/05.

coordinating with local agencies for related data; and performing daily review of collected data to identify insights, opportunities and problems. The monitoring tools for the study included: a particle lidar; mobile monitoring; DustTrak optical PM-10 monitors; DustTrak optical PM-2.5 monitors; an aerodynamic particle size analyzer; MiniVol filter based samplers; a sodar; and a SCAMPER vehicle. The SCAMPER (System for Continuous Aerosol Monitoring of Particulate Emissions from Roadways) vehicle was used to measure PM-10 from paved roads. From November 15, 2006 through December 14, 2006, extensive measurements were taken in the Salt River area using state-of-the-art technologies.

In general, the study identified a number of sources of PM-10 in the Salt River area. They included: trackout; dragout from unpaved or poorly maintained paved roads or parking lots; unpaved shoulders; unpaved roads; open burning; agriculture; and vehicle activity on unpaved parking areas and vacant lots. Preliminary results from the study were used in the evaluation of control measures and the final results were used in the modeling attainment demonstration.

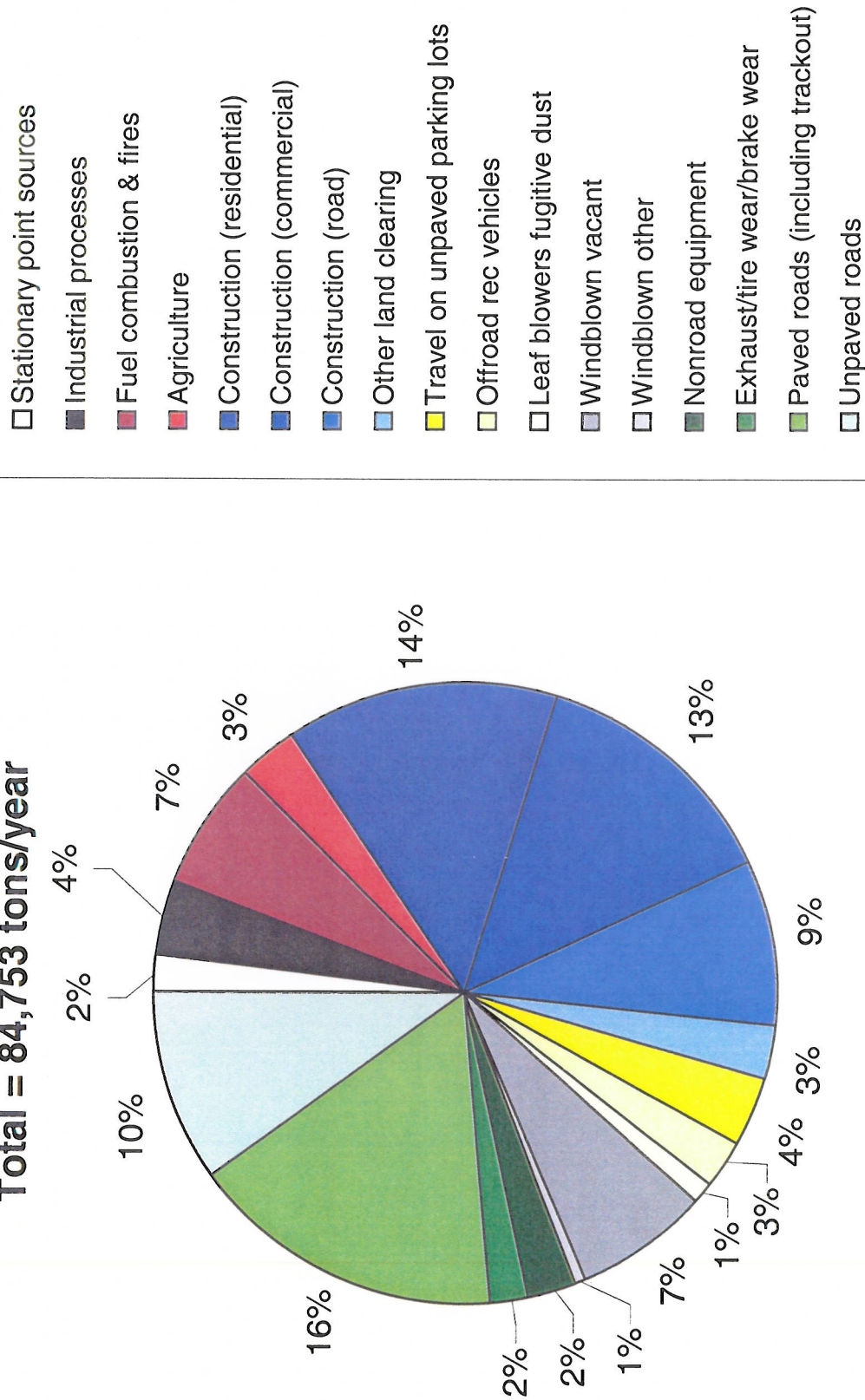
Based upon the Maricopa County Air Quality Department 2005 Periodic Emissions Inventory for PM-10 for the Maricopa County Nonattainment Area, the primary sources of PM-10 are: Paved Roads (including trackout) 16 percent; Construction (residential) 14 percent; Construction (commercial) 13 percent; Unpaved Roads 10 percent; Construction (road) 9 percent; Fuel Combustion and Fires (industrial natural gas and fuel oil, commercial/institutional natural gas and fuel oil, and residential natural gas, wood and fuel oil) 7 percent; and Windblown Vacant (vacant lots) 7 percent. The sources are depicted in Figure ES-3.

The emissions in the 2005 Periodic Emissions Inventory for PM-10 were projected to 2007, 2008, 2009, and 2010. The total controlled emissions in the 2007 projected inventory were used to calculate the five percent reduction target in emissions. For 2007, the total controlled emissions in the PM-10 nonattainment area are 96,445 tons per year (see Figure ES-4). This number was multiplied by five percent to determine the target PM-10 emissions reduction of 4,822 tons per year. To meet this annual target, the controlled 2008 emissions must be at least 4,822 tons less than the base case 2008 emissions; the controlled 2009 emissions must be at least 9,644 tons less than the 2009 base case emissions; and the controlled 2010 emissions must be at least 14,466 tons less than the 2010 base case emissions.

In order to reduce PM-10, a broad range of commitments to implement measures were received from the State, Maricopa County, and the twenty-three local governments in the PM-10 nonattainment area. Collectively, the MAG 2007 Five Percent Plan for PM-10 includes fifty-three committed control measures. The measures used for numeric credit to meet the annual five percent reduction target in PM-10 emissions and the modeling attainment demonstration for 2010 are included in Figure ES-5. Key measures include: Dust Managers/Coordinators at Earthmoving Sites; Increase Rule 310 and 316 Inspections; Extensive Dust Control Training; Conduct Nighttime and Weekend

FIGURE ES-3

**2005 PM-10 Emissions
in the PM-10 Nonattainment Area
Total = 84,753 tons/year**



Source: 2005 Periodic Emissions Inventory for the Maricopa County, Arizona Nonattainment Area. Maricopa County Air Quality Department. May 2007.

Figure ES-4
2007 PM-10 Emissions
with Committed Control Measures
Total = 96,445 tons/year

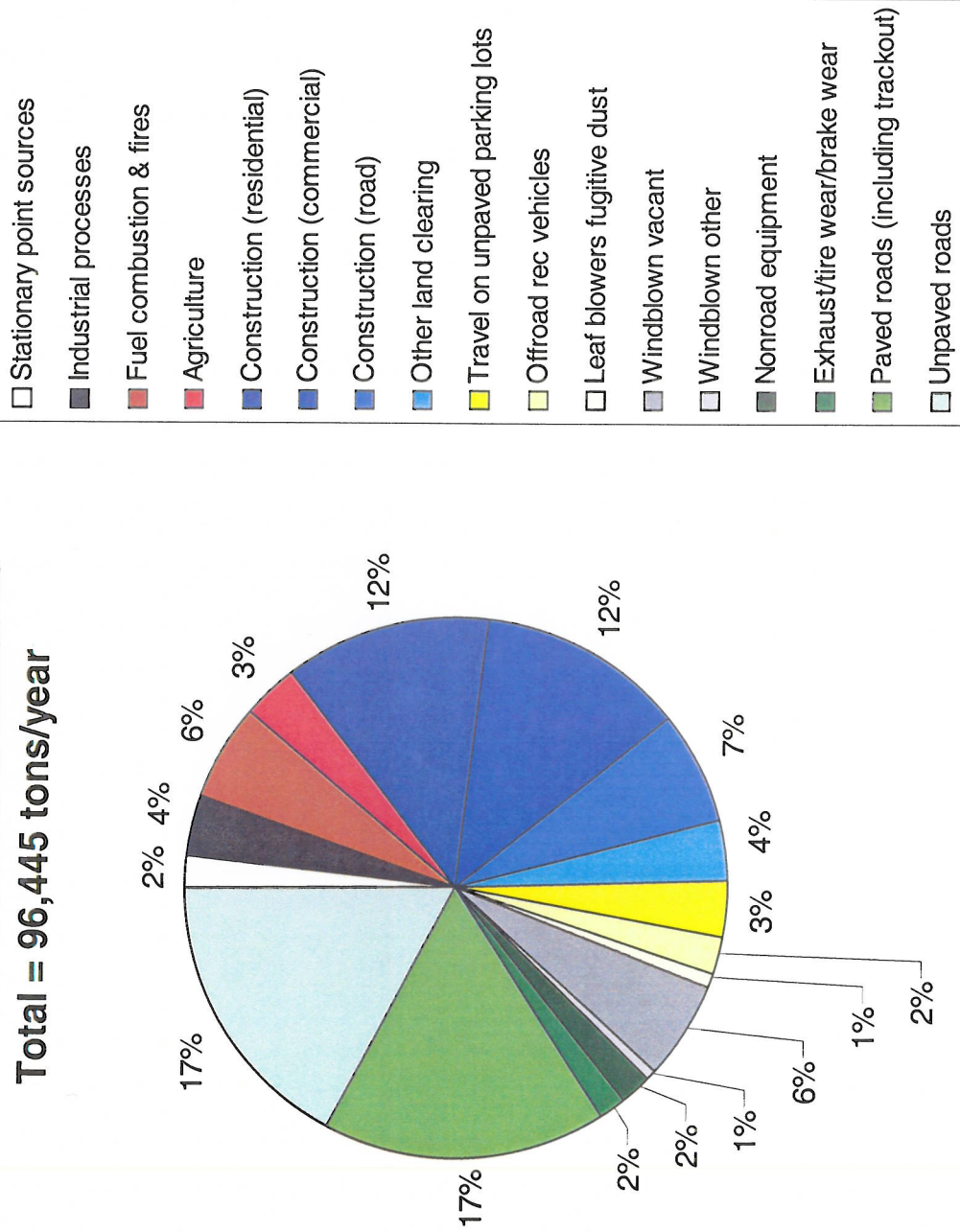
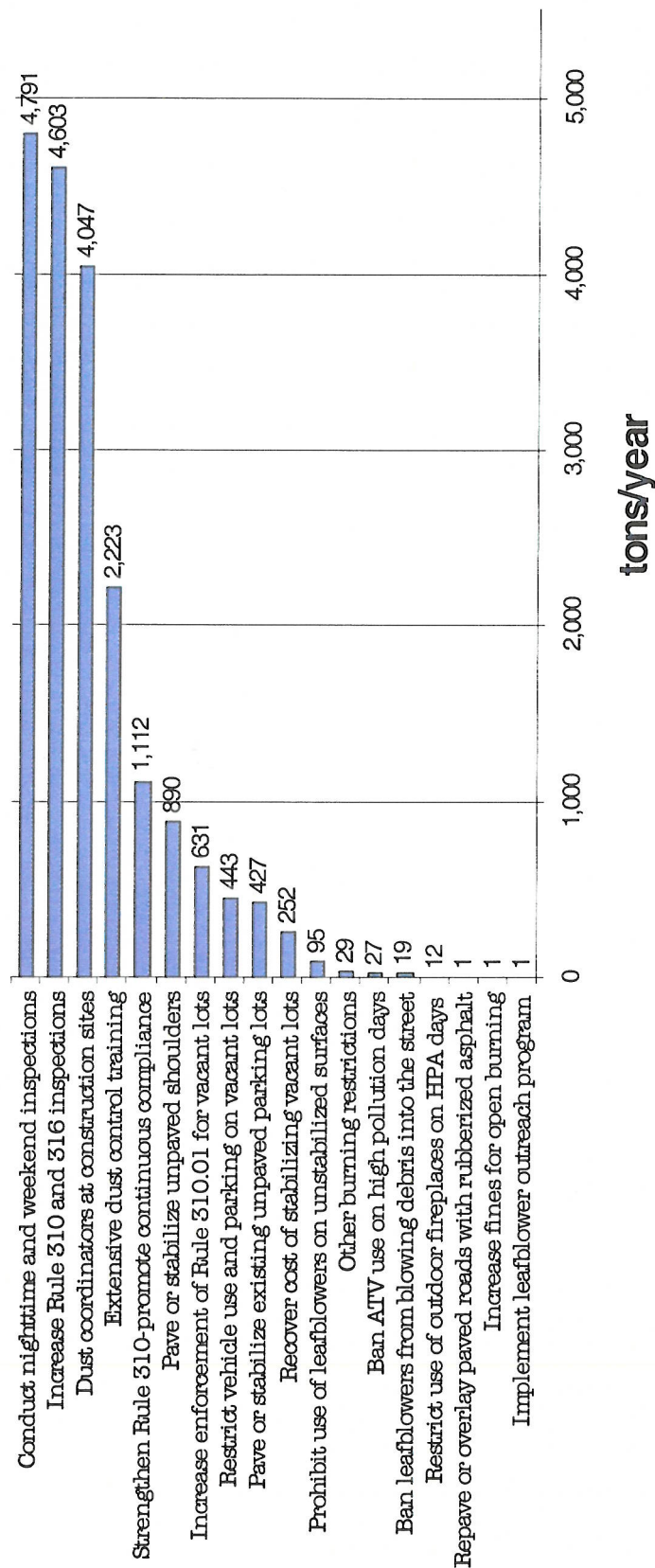


Figure ES-5
Reductions in 2010 for Committed Control Measures
in the Five Percent Plan for PM-10



Inspections; Strengthen Rule 310 to Promote Continuous Compliance; Pave or Stabilize Dirt Shoulders; Pave or Stabilize Unpaved Parking Lots; Restrict Vehicle Use on Vacant Lots; Strengthen Rule 310.01 for Vacant Lots; and Recover the Cost of Stabilizing Vacant Lots.

In accordance with the Clean Air Act, the MAG 2007 Five Percent Plan for PM-10 also contains contingency measures sufficient to provide emissions reductions equivalent to one year of reasonable further progress which is 4,824 tons per year. The reasonable further progress requirements for Serious PM-10 nonattainment areas are included in Section 189(c) of the Clean Air Act. Collectively, the impact of the contingency measures is a reduction in PM-10 emissions of approximately 5,125 tons in 2008, 7,121 tons in 2009, and 9,073 tons in 2010 versus the contingency target of 4,824 tons per year.

The contingency measures are committed measures in the adopted plan which achieve emissions reductions beyond those measures relied upon for progress (five percent reductions, reasonable further progress, milestones) and attainment of the standard. The key contingency measures are: Pave or Stabilize Dirt Roads and Alleys; Sweep with PM-10 Certified Street Sweepers; Reduce Trackout Onto Paved Roads; Additional Five Million Dollars in FY 2007 MAG Federal Funds for Paving Dirt Roads and Shoulders; Agricultural Best Management Practices; 15 Mile Per Hour Speed Limits on Dirt Roads; Reduce Offroad Vehicle Use; Certification for Dust Free Developments; and Public Education and Outreach Program. Figure ES-6 shows the impacts of the contingency measures in 2010.

The committed measures in the MAG 2007 Five Percent Plan for PM-10 used for numeric credit reduce PM-10 emissions by at least five percent per year through 2010 and provide for contingency measures equivalent to one year of reasonable further progress. Table ES-1 summarizes the total impacts of the measures versus the target reductions required. Based upon the air quality modeling in the plan, the committed measures used for numeric credit also result in attainment of the standard as expeditiously as practicable which is 2010.

The total 2010 PM-10 emissions with committed control measures are 81,974 tons (see Figure ES-7). The total 2010 PM-10 emissions with committed control and contingency measures are 72,901 tons (see Figure ES-8). Together, the committed control measures and committed contingency measures reduce base case PM-10 emissions by 28.2 percent by 2010.

For conformity analyses, the onroad mobile source emissions budget includes reentrained dust from travel on paved roads; vehicular exhaust, tire wear, and brake wear; travel on unpaved roads; and road construction. In 2010, the PM-10 emissions from these four source categories total 102.6 metric tons per day. This represents the onroad mobile source emissions budget for conformity.

Figure ES-6
Reductions in 2010 for Committed Contingency Measures
in the Five Percent Plan for PM-10

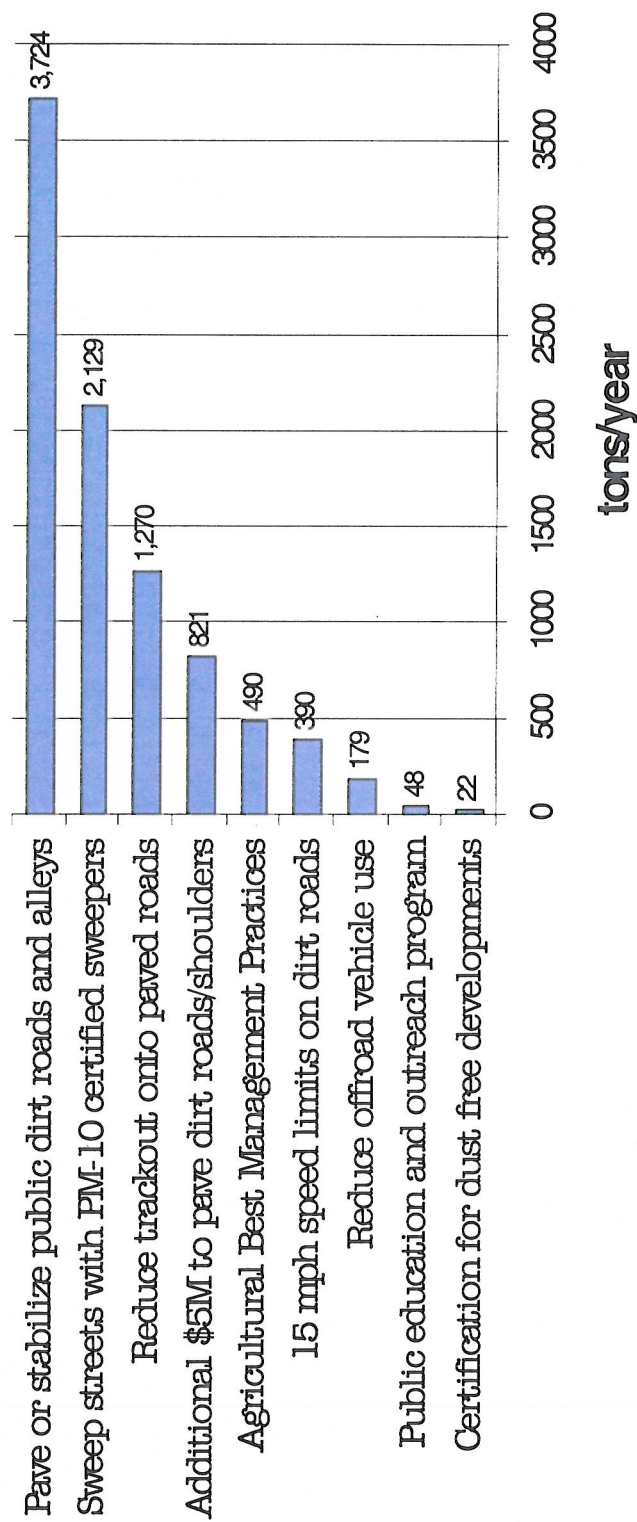


TABLE ES-1

EMISSIONS REDUCTIONS FOR COMMITTED MEASURES QUANTIFIED TO MEET THE FIVE PERCENT REDUCTION REQUIREMENT

- 6,687 tons vs. 4,822 ton target reduction in 2008
- 15,248 tons vs. 9,644 ton target reduction in 2009
- 19,603 tons vs. 14,466 ton target reduction in 2010

EMISSIONS REDUCTIONS FOR COMMITTED MEASURES QUANTIFIED TO MEET THE CONTINGENCY MEASURE REQUIREMENT

- 5,125 tons vs. 4,824 ton target reduction for 2008
- 7,121 tons vs. 4,824 ton target reduction for 2009
- 9,073 tons vs. 4,824 ton target reduction for 2010

Figure ES-7
2010 PM-10 Emissions
with Committed Control Measures
Total = 81,974 tons/year

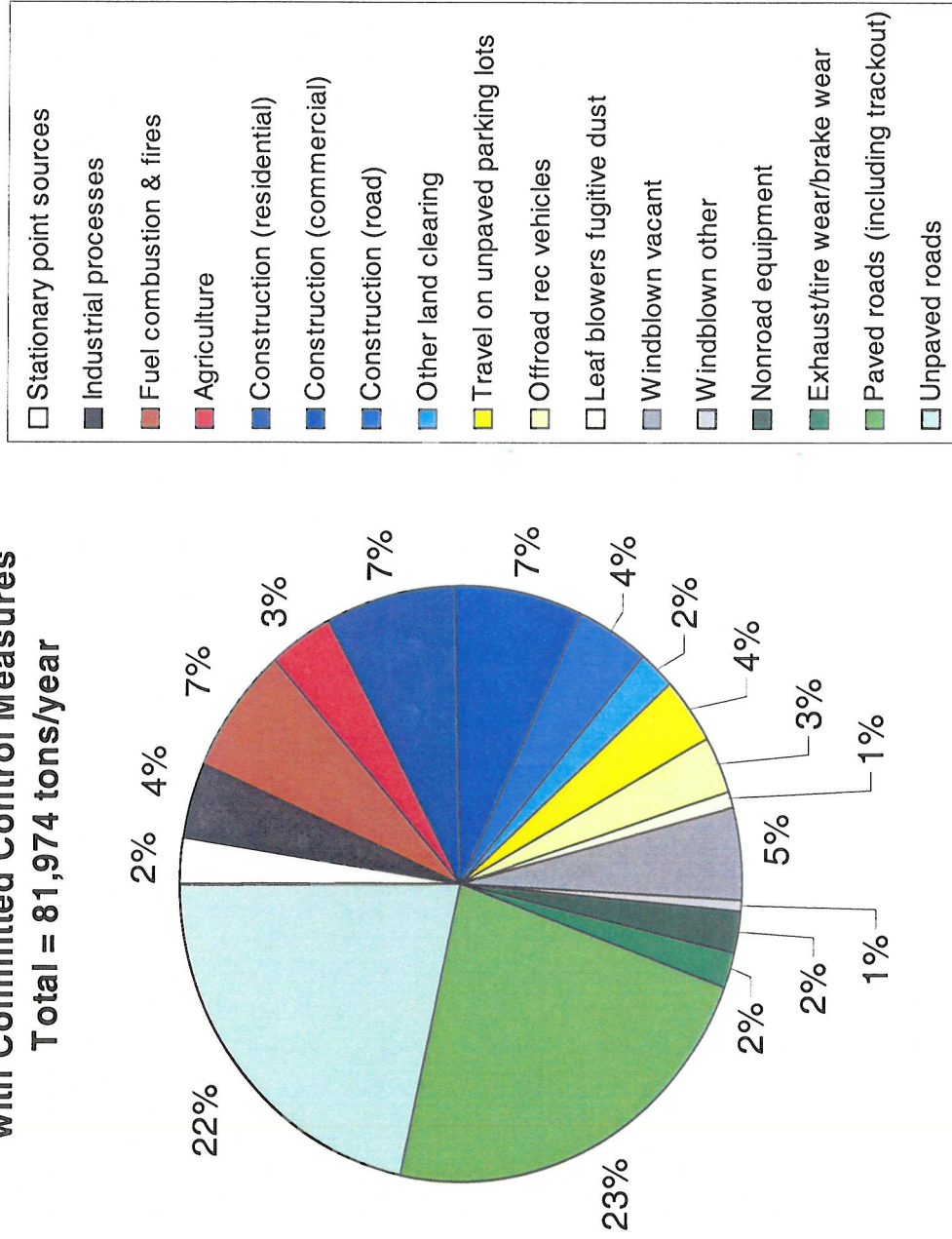
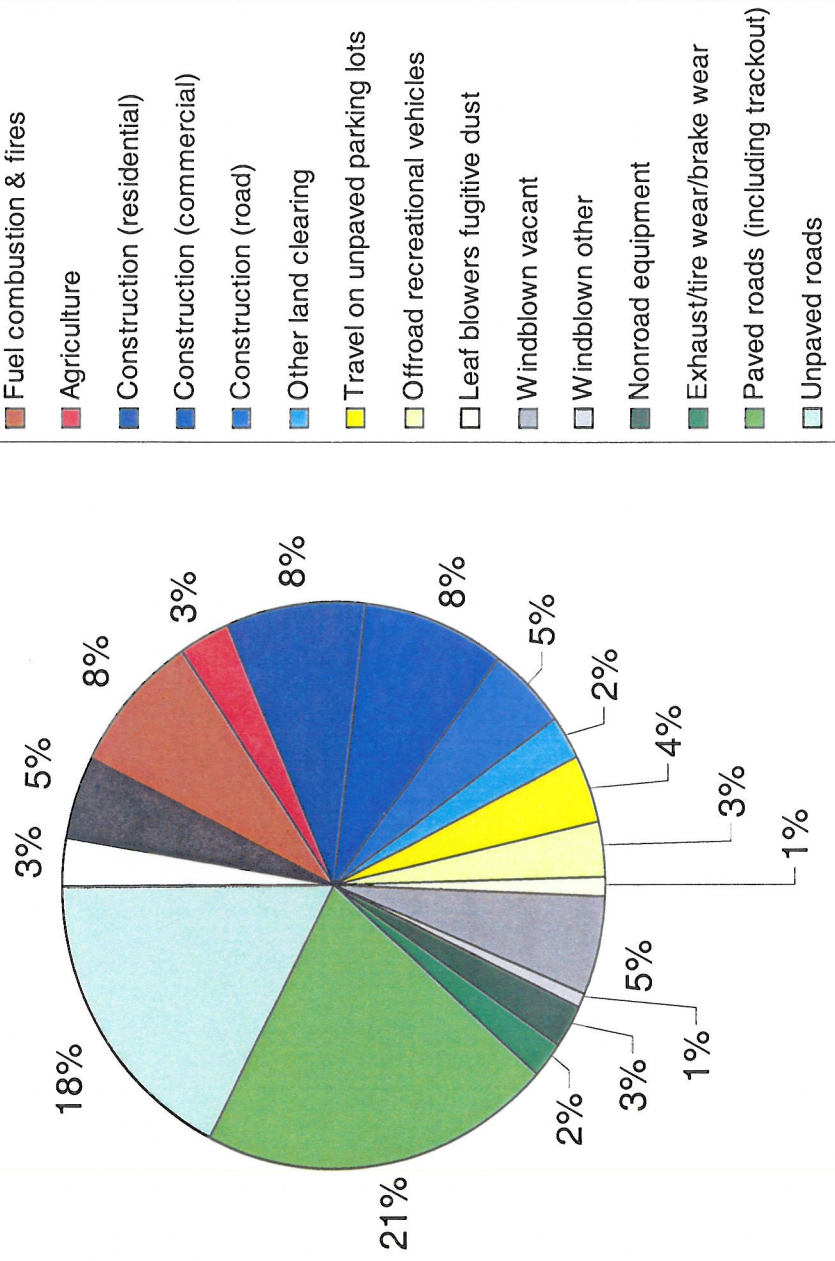


Figure ES-8
2010 PM-10 Emissions
with Committed Control and Contingency Measures
Total = 72,901 tons/year
(28.2% reduction)



December 11, 2007

TO: Members of the MAG Regional Council

FROM: Mayor Keno Hawker, Mesa, Chair, Building Lease Working Group

SUBJECT: UPDATE ON THE REGIONAL OFFICE CENTER PROJECT

In March of this year, the Regional Council authorized MAG to proceed with the construction of the Regional Office Center. I greatly appreciated your support of this project. To address concerns expressed by the Regional Public Transportation Authority (RPTA), we have conducted another procurement for the project and I am again requesting your support of the Regional Office Center Project.

The Regional Office Center is the result of the need for additional space among the regional transportation agencies – including MAG, the RPTA and Valley Metro Rail. This is especially important for MAG and the RPTA, which are rapidly outgrowing their current space. MAG and the RPTA are currently leasing from the City of Phoenix and we have been informed that the lease rates will increase and Phoenix has indicated a need in the future to use the space.

The Regional Office Center represents a long-term strategy to reduce the cost of office space, providing a lease-to-own option in which the three regional agencies will have the opportunity to own a tangible asset and avoid high leasing rates in the future. Since this issue was addressed in March by the Regional Council, the lease rates and annual costs for the project have gone down, due to favorable development agreement terms proposed by the City of Phoenix, which includes an exemption from the Government Property Lease Excise Tax.

With your support, the Regional Office Center will create a stable work environment for our agencies, while serving as a primary example of true regionalism by bringing key planning and transportation functions together under one roof.

Again, I appreciate your support of this project. If you have any questions, please contact me at (480) 644-2388.

cc. Building Lease Working Group
Management Committee
Intergovernmental Representatives

A Voluntary Association of Local Governments in Maricopa County

December 11, 2007

TO: Members of the MAG Regional Council

FROM: Dennis Smith, MAG Executive Director

SUBJECT: REGIONAL OFFICE PROJECT SUMMARY

At the November 19, 2007 meeting of the Regional Council Executive Committee and Building Lease Working Group, key Regional Office Center documents were recommended for approval. The comments from this meeting pertaining to these documents have been incorporated into the enclosed material. This memorandum outlines the major elements of the transaction needed to proceed with the building of a Regional Office Center.

On November 19, 2007, MAG staff presented the following items to the MAG Executive Committee and Building Lease Working Group for consideration: (1) Letter of Intent with the landowner to purchase property; (2) Draft Memorandum of Cooperation and signed Letter of Understanding by MAG, Regional Public Transportation Authority (RPTA) and Valley Metro Rail (METRO); (3) Terms for a Development Agreement with the City of Phoenix; and (4) Resolution of indemnification with Ryan Companies for an amount of \$525,000.

At the November 19, 2007, Executive Committee and Building Lease Working Group meeting, the Committee accepted the rankings for a Design-Build team provided by the selection panel as follows: (1) McCarthy/DMJM, (2) Sundt/SmithGroup, and (3) Ryan/RNL. Staff was directed to begin negotiations with McCarthy/DMJM provided that the parties sign a legal document of understanding that MAG has been authorized to enter into negotiations in accordance with Title 34 for design-build services for the project and that until a contract is actually negotiated, approved and signed, McCarthy/DMJM will not take any action that will cause MAG to incur any costs, nor make any claim against MAG for any costs associated with the project. This ranking of firms to design and construct the building is before the Regional Council for approval.

Background

Over the past two years, staff from the Maricopa Association of Governments, the Regional Public Transportation Authority (RPTA), and Valley Metro Rail (METRO) have worked cooperatively to pursue the development and construction of a Regional Office Center. On March 28, 2007, the Regional Council authorized MAG to proceed with our partnering agencies to construct a building, enter into a

Memorandum of Understanding, and execute a lease for the MAG space in the Regional Office Center. The project did not proceed at that time. Due to concerns expressed by the RPTA, a Title 34 process was conducted.

On May 14, 2007, the Executive Committee directed staff to issue a Request for Qualifications (RFQ) for the design and construction of the Regional Office Center per Title 34 procurement guidelines. The RFQ was issued on August 1, 2007, and the Statements of Qualifications were due at MAG by August 30, 2007. A Request for Proposals (RFP) was issued for underwriter services on August 2, 2007. The proposals were due to MAG by August 31, 2007. The Executive Committee approved the selection of PiperJaffray as underwriter for the project at its September 12, 2007 meeting, followed by ratification of the Regional Council on September 26, 2007. At the October 15, 2007, Executive Committee and Building Lease Working Group meeting, staff was directed to continue the negotiations regarding the Regional Office Center and to bring the results of the negotiations to the November Executive Committee meeting for consideration.

On December 5, 2007, the RPTA Transit Management Committee recommended pursuing the Regional Office Center project to the RPTA board for approval, subject to adequate financing for the facility. The METRO Management Committee also recommended pursuing the Regional Office Center project to their respective board for approval.

Downtown Office Market Analysis

A comparison of the projected market lease rates was completed in March, 2007 for comparison to the cost of the Regional Office Center. The average market lease rate for the downtown Phoenix area in 2009 is projected to be \$28.32 to \$35.01 per square foot. In 30 years, this range is expected to increase to approximately \$47.19 to \$58.35 per square foot. The average MAG total per square foot cost for leasing to own in the Regional Office Center is \$32.45, with an average annual lease payment of approximately \$3.743 million per year.¹ The updated lease rate and average annual cost are lower for MAG than what was presented in March 2007 (\$40.17 and \$4.39 million, respectively).²

The comparison of constructing and owning a building through a lease purchase with the City of Phoenix, to the cost of continually leasing with no opportunity to purchase in the future, indicates that it is more cost effective to pursue the building option. At the end of the lease period, the three regional agencies will have the opportunity to own the building with primarily refurbishment, operations and maintenance costs remaining.

*Attachments

¹ PiperJaffray, November 2007. This average rate is calculated over 30 years and assumes MAG's absorption of former AMWUA office space, 1/3 split on land acquisition among the agencies and other estimated allocated shared costs.

² Square footages for these calculations are based on a Schematic Design packet developed by Ryan Companies during the first phase of this project.

REGIONAL OFFICE CENTER DOCUMENTS FOR APPROVAL

1. Letter of Intent with Landowner

The letter of intent constitutes an outline of the terms upon which the seller is willing to sell and the buyer, upon approval by MAG, the RPTA, and Metro, is willing to purchase the property. The letter sets forth the general terms of the purchase and sale, including the purchase price. It will be superseded by a more detailed purchase and sale agreement. Some of the terms presented in the letter include the following: (1) Purchase price of \$146 per square foot for approximately 67,206 net square feet (to be confirmed by property survey); (2) Development on the excepted parcel will require seller to meet certain obligations such as meeting with the neighborhood 60 days after Close of Escrow, meeting City of Phoenix entitlement requirements, commencing architectural drawings within 60 days from the date a design is approved by the buyer and commence construction within 24 months of completion of the project under conditions and terms detailed in the purchase agreement; (3) Payment of an unconditional option price of \$38,307.42 beginning December 1, 2007 as condition for seller holding the property off the market; and (4) Close of Escrow shall be on or before August 1, 2008. (See Attachment A)

2. Memorandum of Cooperation

A Memorandum of Cooperation (MOC) outlining building leasing space, shared project costs and other general terms has been cooperatively developed among MAG, the RPTA, and METRO. A detailed operating agreement will further define building and administrative operations. Draft terms for the MOC were presented and discussed at the November 19, 2007 Executive Committee and Building Lease Working Group meeting. A letter of understanding was signed by MAG, the RPTA, and METRO to recommend the MOC to each agency's respective governing bodies for review and consideration at the earliest possible opportunity, with the understanding that the parties will commit funds following an acceptable rating indicator that the Regional Office Center may be financed pursuant to the terms and conditions set forth in the MOC. The comments provided by the Executive Committee have been incorporated into the document before the Regional Council for approval. (See Attachment B)

3. Terms for a Development Agreement with the City of Phoenix

To facilitate development of the project, an Arizona limited liability company whose sole member is the Community Finance Corporation, an entity designated as exempt from federal taxes pursuant to Section 501(c)3 of the Internal Revenue Code of 1986, and whose charitable purpose is to "lessen the burdens of government" by erecting buildings for use by government, will act as a borrower under a City of Phoenix, Arizona Industrial Development Authority bond issuance and use the bond proceeds to acquire, construct, improve, equip and furnish the Regional Office Center. Current federal tax regulations state that a limited liability company whose sole member is a 501(c)3 entity shall be disregarded as an entity separate from its member for federal and Arizona income tax purposes. The LLC, as a 501(c)3 entity will then convey the land and improvements to the City of Phoenix and enter into a ground lease for a period of thirty (30) years. Under this arrangement, pursuant to current state law, with the required tenant certification, the improvements being used for governmental activities will be exempt from Government Property Lease Excise Tax (GPLET) payments for the duration of the lease. After an eight year abatement, only the office commercial and retail space portion of the facility will be subject to the GPLET tax. The City of Phoenix will administer an annual administrative fee over the lease period and will convey the land and improvements back to the buyer LLC at anytime during the lease at no cost. (See Attachment C)

4. Resolution of Indemnification with Ryan Companies

MAG signed a letter of indemnification with Ryan Companies for \$280,000 prior to conducting the Title 34 process for the project. Ryan Companies ranked third in the Title 34 process among the final list of design-build firms for the project. To ensure compensation for prior executed work on behalf of the project, Ryan Companies sent a letter to MAG for \$755,164 to satisfy its obligations under the indemnification agreement and for services rendered beyond the scope of the indemnification agreement.

Several meetings have been conducted between MAG, Ryan Companies and respective general counsels to discuss the settlement amount. At the November 19, Executive Committee and Building Lease Working Group meeting, the MAG Executive Director was directed to present \$525,000 to Ryan Companies to settle their claim with the understanding that a settlement total of \$525,000 will be paid only when and if a contract for the construction of the Regional Office Center is signed. This amount would include the original indemnification and include the rights to all materials pertaining to the project currently owned by Ryan. Ryan Companies has also agreed to provide technical assistance to the successful Title 34 proposer. However, pursuant to negotiations with Ryan, the settlement now provides that Ryan Companies would be paid the settlement amount of \$525,000 following execution of the settlement agreement and delivery to MAG of all the materials pertaining to the project, along with consents allowing the use of the documents. (See Attachment D)

Current Request

In order for the building to proceed, the MAG Regional Council is being requested to approve the following: (1) Letter of Intent with the landowner, which is subject to specific conditions to be set forth in the purchase agreement to ensure that the seller will develop excess parcel within a two-year period; (2) Memorandum of Cooperation between MAG, the RPTA and METRO; (3) Terms for a development agreement with the City of Phoenix; (4) Design-Build team rankings; and (5) Resolution of indemnification with Ryan Companies not to exceed \$525,000.

Next Steps

Staff will initiate negotiations with McCarthy/DMJM to develop a Design-Build contract for Regional Council consideration and possible approval. Authorization for this contract will consist of two separate awards: (1) Approval of Pre-Construction and Preliminary Design Services, anticipated for January 2008, and (2) Approval of a Guaranteed Maximum Price (GMP) within the parameters of the estimated building budget of \$77.1 million, with the MAG project cost being approximately \$37,842,383. It is anticipated that the GMP for the project would be determined in the first quarter of 2008. Additionally, financing needs to be available for the project at an acceptable bond rating. The financing schedule for the project is anticipated to be approximately 90 days based on the following:

- Week 1: Apply for rating indications
- Week 4: Receive rating indications
Begin IDA application process
- Week 12: Complete IDA process
Receive GMP from developer
- Week 13: Price bonds
- Week 15: Loan funding

In conclusion, the project can again move forward with your approval and the board approvals of the RPTA and METRO. If you have any questions regarding this project or would like to schedule a briefing in advance of Regional Council with MAG staff, please contact me or Alana Chávez at the MAG Office.

JAMES M. BARRONS
TODD A. BAXTER
GARY L. BRNBAUM
FREDDA J. BISMAN
JAMES T. BRASELTON
DAVID G. BRAY
ROBERT C. BROWN
DAVID V. BURKETT
J. GREGORY CAHILL
SPENCER W. CASHIDAN
JASON B. CASTLE
SCOT L. CLAUS
D. SAMUEL COFFMAN
ROBIN L. DE RESPINO
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OUR FILE NO. 11681-2

November 12, 2007

David and Cheryl Kaye
DK Real Estate Holdings, L.L.C.
P.O. Box 13334
Phoenix, Arizona 85002

Re: Letter of Intent to Purchase by a Nominee of The Maricopa Association of Governments ("MAG"), The Regional Public Transportation Authority (the "Authority"), and Valley Metro Rail, Inc. ("Metro") (the "Buyer") to Purchase the Property located at the NWC of First Avenue and McKinley Street, Phoenix, Arizona (the "Property")

Dear Mr. and Mrs. Kaye:

By way of introduction our Firm represents MAG albeit our Firm is writing this letter of intent ("LOI") on behalf of the Buyer that will be nominated by MAG, the Authority and Metro and is based upon draft materials provided to us on or about July 25, 2007 by MAG. Buyer understands that DK Real Estate Holdings, LLC, as seller of the Property, is the fee owner of the Property (the "Seller") based upon the foregoing, this LOI sets forth an outline upon which the Seller will sell the Property to Buyer.

The Property is more fully described as an improved parcel of land of approximately 1.49 acres and otherwise identified as Maricopa County, Arizona Tax Parcel Nos. 111-40-073, 074A, 075, 076A, 077 and 078 except that western thirty (30) feet thereof fronting on 2nd Avenue that is to be developed by Seller as and for residences and/or commercial retail (the "Excepted Parcel"). The Excepted Parcel is to be developed in accordance with a subsequently negotiated agreement between one or more of the parties, or third-parties with the intent being to develop

the Excepted Parcel in such a way as to act as a buffer between the development of the Property and the residential neighborhood to the west of 2nd Avenue.

Buyer's Purchase Offer (herein so called) is as follows:

1. SELLER: Seller is DK Real Estate Holdings, LLC.
2. BUYER: Buyer or a nominee of Buyer's selection, with approval from MAG, the Authority, and Metro, including, but not limited to, a limited liability company wherein the Community Finance Corporation, an Arizona non profit corporation, is the sole member;
3. INCLUSIONS IN PROPERTY. The Property shall include, but not be limited to: (i) the real property, excluding the Excepted Parcel (the "Real Property"); (ii) all water and mineral rights, if any, pertaining to the Real Property; (iii) all interest, if any, in any adjoining roads; (iv) all interest, if any, in any award or settlement arising by reason of any condemnation; (v) all interest in the buildings (the "Buildings") and other improvements, if any, on the Real Property (collectively the "Improvements"); (vi) all interest in any equipment, machinery and personal property used on or in connection with the Real Property; and, (vii) all interest, to the extent transferable, in all permits, licenses, warranties and contractual rights with respect to the operation, maintenance or repair of the Buildings and Improvements;
4. TRANSFER DOCUMENTS. Transfer of the Property shall be by special warranty deed from the Seller to Buyer and other transfer documents (e.g.: Bill of Sale and Assignment of Contracts and Permits) in a form mutually acceptable to the Seller and Buyer;
5. PURCHASE PRICE:
 - 5.1 Seller and Buyer agree that Buyer will purchase the Property for a Price (herein so called) equal to \$146.00 times the total number of Net Square Feet (as defined below) comprising the Real Property, which is currently estimated to total approximately 67,206 Net Square Feet. Thus, by way of example if the number of Net square Feet is 67,206 the Price would be \$9,812,076.00. This number represents approximately 5,000 square feet for an alley, minus approximately 3,500 square feet for a new alley. Seller agrees to take all steps necessary to have the alley abandoned;
 - 5.2 When Seller and Buyer receive the Survey (as defined below) the total number of Net Square Feet, as provided therein, comprising the Real Property shall be used to calculate the Price. For the purpose of this LOI, the term "Net Square Feet" shall include the approximately 5,000 square foot of alley as indicated above provided the City of Phoenix indicates an intent to abandon the alley prior to COE. Gross square footage of the Real Property does not include: (i) dedicated rights of way existing as of opening of escrow ("OOE") and as COE; (ii) the Excepted Parcel; and (iii) any dedications required prior to COE for the Light Rail Transit Project (herein so called);
6. PAYMENT TERMS. The Price is to be paid in single lump sum, in immediately available funds, at COE;

7. PRELIMINARY TITLE REPORT AND OBJECTIONS. Seller shall cause a Commitment for Title Insurance (preliminary title report) (the "Report") to be obtained from Fidelity National Title Insurance Company, as title insurer, which is also to be the escrow agent for the sale transaction (the "Escrow Agent") within 5 days following the OOE. Buyer is to have until 5:00 p.m. MST 10 days after the submittal (the "Study Period") within which to object to any items in the Report and the Survey (as defined below). If Buyer's objections are timely made, Seller, in Seller's sole discretion, shall, within 5 days thereafter, determine whether or not to attempt to cure Buyer's objections by the 10th day thereafter failing which: (i) Buyer shall either waive the curing of Buyer's uncured objections and proceed with the sale transaction; or, (ii) Buyer shall cancel the Purchase Agreement (as defined below) whereupon the Parties shall have no further liability or obligation under the Purchase Agreement save and except for any "Survival Items" as may be defined in the Purchase Agreement;

8. BUYER'S CONTINGENCIES. Buyer's obligation to purchase the Property in accordance with the Purchase Agreement, among other things, shall be subject to the following contingencies that will be set forth in the Purchase Agreement and that may be waived or approved only by Buyer;

8.1 The Study Period. Buyer shall have until the end of the Study Period to conduct and approve any investigations deemed necessary to Buyer to determine the feasibility of acquiring the Property (the "Studies"). With regard to the Studies, Seller shall grant to Buyer and Buyer's agents the right to enter upon the Real Property at any time or times during the Study Period. If the results of any of the Studies are not acceptable to Buyer for any reason or for no reason at all and Buyer notifies Seller, in writing, on or before the end of the Study Period, this LOI and the Purchase Agreement shall be cancelled and the Parties shall have no further liability or obligation under either this LOI or the Purchase Agreement except for any Survival Items;

8.2 The Survey. If a Survey is not otherwise obtained for the Property, Seller, at Seller's sole cost, shall obtain and deliver to Buyer and Escrow Agent, on or before 5:00 pm MST on the 10th day of OOE, a certified ALTA Survey of the Property prepared by an engineer or surveyor licensed in Arizona and acceptable to Buyer for the purposes of: (i) the Escrow Agent's issuance of an ALTA Extended Owner's Policy of Title Insurance to Buyer in the amount of the Price (the "Title Policy"); and (ii) setting forth the Net Square Feet for the purpose of calculating the Price;

8.3 Title Policy. The Escrow Agent shall issue to Buyer at COE the Title Policy subject only to those matters approved or deemed approved by Buyer in accordance with the Purchase Agreement;

8.4 Appraisal. Buyer has already obtained an appraisal for the Property;

9. THE EXCEPTED PARCEL.

9.1 Excepted Parcel Replat. The Seller, at Seller's sole cost and in a form

acceptable to the IDA, the City, and Buyer, by COE shall have caused the City to enter a written notice confirming the intent to permit a Replat by which the Excepted Parcel shall be severed from the Real Property as a separate real property tax parcel;

9.2 Development on Excepted Parcel. With respect to the development to be constructed by Seller on the Excepted Parcel, Seller will agree that parking may be within the Property to be developed by the Buyer and that Seller has the right to purchase sufficient parking to accommodate the needs of the development. Parking spaces to be sold at then appraised building cost. Seller will be obligated to purchase those parking spaces upon completion of the Building. Depending upon the design of the Building Seller understands the necessity of having neighborhood approval on the project built on the Excepted Parcel and Seller agrees to meet with the Roosevelt Neighborhood within 60 days of OOE and commence drafting of architectural drawings for the Excepted Parcel within 60 days from an approved design by the Buyer. Seller further agrees to commence construction within 24 months of completion of the Project, provided that the economic building conditions for residential condominium/loft real estate provide for a reasonable opportunity for potential success. Such conditions and remedies for non-performance shall be provided for in the Purchase and Sale Agreement.

10. WARRANTIES. The Purchase Agreement shall provide for specific warranties to be made by Seller to Buyer in regard to the Property (e.g.: no unrecorded leases or liens; no notice of violations, no suits, and Seller's power and authority to execute and perform under the Purchase Agreement). The Purchase Agreement shall also provide for specific warranties to be made by Buyer to Seller in regard to the Property (e.g.: Buyer's power and authority to execute and perform under the Purchase Agreement);

11. BROKER'S COMMISSIONS. The Parties shall warrant to one another in the Purchase Agreement that they have not dealt with any real estate broker in regard to the Purchase Transaction (herein so called) to be evidenced by the Purchase Agreement. Should Seller engage the services of a broker, Seller shall be solely responsible for the payment of any commission due the Broker pursuant to a separate agreement to be entered into between the Seller and the Broker.

12. COE.

12.1 COE shall be on or before August 1, 2008;

12.2 Any provision of the Purchase Agreement to the contrary notwithstanding, Buyer may close escrow sooner if desired.

12.3 Beginning December 1, 2007, and continuing until the COE, Buyer shall pay to Seller an unconditional option price of \$38,307.42 per 30 day period (or such pro rata amount depending on the COE) as consideration for Seller holding the Property off the market. In the event that Buyer decides to not purchase the Property at any time, for any reason, the Purchase Agreement and Escrow shall be cancelled at no further cost to the Buyer.

13. RIGHTS TO ASSIGN.

13.1 The Purchase Agreement shall not be assignable by Seller without the prior written consent of Buyer or Buyer LLC, as applicable, except that Seller shall be entitled to assign its interest in the Purchase Agreement as part of an IRS Section 1031 Exchange; and

13.2 Buyer shall be entitled to assign any or all of its interest in the Purchase Agreement with seeking or obtaining Seller's consent thereto;

14. RISK OF LOSS. Seller shall bear all risk of loss to the Property which may occur prior to COE; and

15. Alternative Purchase of Property. In the event that Buyer determines it is in its interest to purchase only parcels 111-40-074A, 076A and 078, then Buyer shall have the right to notify Seller, in writing, of such desire, with no obligation to purchase the remaining parcels. In the event that Buyer does not purchase parcels 111-40-073, 075, and 077, then sections 9.1 and 9.2 of this agreement shall be null and void and no development stipulations shall exist on the Excepted Parcel.

This LOI to Purchase constitutes an outline of the terms upon which the Seller is willing to sell and the Buyer, upon approval by MAG, RPTA and Metro, is willing to purchase the Property. This LOI is not contractual in nature and shall be superseded by a definitive, written agreement of purchase and sale to be executed by the Seller and the Buyer within 15 days of the Buyer's delivery to Seller of the Purchase Agreement which shall be prepared by the Buyer (the "Purchase Agreement"). Neither Seller nor the Buyer shall have any obligations to the other until the provisions of the Purchase Agreement have been mutually agreed upon by Seller and the Buyer and a Purchase Agreement has been executed by Seller and the Buyer.

Furthermore, given that this LOI is subject to all necessary approvals on the part of the Buyer, it shall not be binding on the Buyer until such time as an approved Purchase Agreement is executed. However, in order to move forward with the drafting of a Purchase Agreement, it is necessary to insure that the terms and provisions hereof are acceptable to Seller that Seller so indicate by executing and immediately returning to the undersigned, by hand-delivery, the additional original of this LOI that is enclosed herewith. Thank you for your cooperation in this matter.

Sincerely,

**MARISCAL, WEEKS, McINTYRE &
FRIEDLANDER, P.A.**

Marlene A. Pontrelli

November 12, 2007

Page 6

cc: Dennis Smith
William J. Sims, Esq
Kathleen Ferris, Esq
Michael J. Ladino, Esq.
Anthony V. Giancana, Esq.
Jorge Albala, Esq.
Fredda J. Bisman, Esq
Marlene Pontrelli, Esq
Bryant D. Barber, Esq

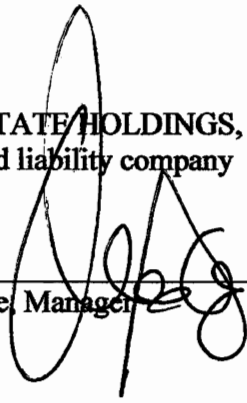
ACCEPTANCE:

The foregoing Letter of Intent is hereby approved
and accepted this 14 day of November, 2007, by:

SELLER:

DK REAL ESTATE HOLDINGS, L.L.C., an
Arizona limited liability company

By: _____
David Kaye, Manager



MEMORANDUM OF COOPERATION

Among

THE MARICOPA ASSOCIATION OF GOVERNMENTS,
an Arizona non-profit corporation,

and

THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY,
a political subdivision of the state of Arizona,

and

VALLEY METRO RAIL, INC.,
an Arizona non-profit corporation

REGIONAL OFFICE CENTER
NWC 1ST AVENUE AND MCKINLEY STREET
PHOENIX, ARIZONA

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| Exhibit "A" | - | Estimated Party Costs |
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| Exhibit "D" | - | Diagram of the Real Property |
| Exhibit "E" | - | Letter of Intent with DK Real Estate Holdings |

MEMORANDUM OF COOPERATION

DATED: This Memorandum of Cooperation (“Memorandum”) is dated to be effective as of the ____ day of December, 2007 (the “Effective Date”).

PARTIES: The Parties to this Memorandum are:

- (i) THE MARICOPA ASSOCIATION OF GOVERNMENTS, an Arizona non-profit corporation (“MAG”);
- (ii) THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY, a political subdivision of the state of Arizona (“RPTA”); and
- (iii) VALLEY METRO RAIL, INC., an Arizona non-profit corporation (“METRO”).

MAG, RPTA and METRO may hereafter be collectively referred to as the “Parties” or individually as a “Party”.

DEFINITIONS: The following capitalized terms shall have the following respective definitions for the purpose of this Memorandum:

“CFC” shall mean the Community Finance Corporation, an Arizona non-profit corporation and an IRC Section 501(c)(3) tax-exempt corporation;

“Building” shall mean that certain mid-rise office building which is to contain approximately 240,000 square feet of space, and an integrated structured parking garage of approximately 570 stalls to be constructed on the Real Property as part of the Project;

“Buyer LLC” shall mean that certain Arizona limited liability company to be formed by the CFC, as the sole member thereof, and which shall have as its sole purposes the purchase of the Real Property, acquisition and financing of the Project and the leasing thereof to the Parties in accordance with the Leases and the Operating Agreement;

“City” shall mean the City of Phoenix, Arizona;

“COE” shall mean close of escrow of the Real Property;

“Common Space Area” shall mean that portion of the Real Property that is shared and utilized by all lessees occupying the Project, but excluding the Conference Center and the Media Center.

“Conference Center” shall mean that portion of the Building designed as a conference and meeting center in accordance with the Plans and Specifications;

“Design-Build Agreement” shall mean that certain agreement to be executed by the Design-Build Team, as developer, and the Buyer LLC, as Owner;

“Design-Build Team” shall mean the contractor selected pursuant to a Title 34 Request for Qualifications to build the Project;

“Effective Date” shall mean the date on which all Parties have signed this Memorandum.

“Estimated Party Costs” shall mean the estimated financing, operating and leasing costs for each of the Parties as set forth in Exhibit “A” attached hereto, as the same may be amended from time to time in accordance with this Memorandum;

“IDA” shall mean The Industrial Development Authority of the City of Phoenix, an Arizona non-profit corporation;

“IDA Financing” shall mean approximately \$87,000,000 in The Industrial Development Authority of the City of Phoenix, Arizona Tax –exempt and Taxable Lease Revenue Bonds (Regional Office Center Project) Series 2008 (the “Bonds”), the proceeds of which will be loaned to an Arizona limited liability company whose sole member is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, and used to (a) finance the acquisition of real property and the construction, improvement, furnishing and equipping of a regional office center; (b) fund capitalized interest on the Bonds during construction; (c) fund required reserves for the Bonds; and (d) pay costs of issuance of the Bonds;

“Improvements” shall mean the surface level parking spaces, curbs, gutters, ramps and all project utility infrastructure to be constructed on the Real Property in accordance with the Plans and Specifications, as part of the Project;

“Leases” or a “Lease” shall mean those certain leases of the Premises in the Building to be entered into between the Buyer LLC, as Lessor, and each of the respective Parties, as Lessee, to be generally in the form of Exhibit “B” attached hereto;

“Media Center” shall mean that portion of the Building designed as a multi-media center in accordance with the Plans and Specifications;

“Operating Agreement” shall mean that certain agreement, as mutually agreed to in writing by Buyer LLC, as Owner, and MAG as Operator, pursuant to which MAG shall oversee, manage and operate the Conference Center and Media Center;

“Plans and Specifications” shall mean the final plans and specifications for the Project as agreed to, in writing, by the Buyer LLC and the Design-Build Team and which upon issuance of construction permits by all agencies having jurisdiction, will establish the scope and detail of all Building and Improvements to be constructed for the Project by the Design-Build Team. The Plans and Specifications may be produced in phases as required to expedite construction of the Project Building and Improvements;

“Premises” shall mean the respective portions of the Building to be occupied by the respective Parties in accordance with their respective Leases;

“Project” shall mean collectively the Real Property, the Building and the Improvements;

“Real Property” shall mean that certain parcel of real property located at the NWC of 1st Avenue and McKinley Street in the City containing approximately 1.49 acres being legally described in Exhibit “C” attached hereto and generally depicted in Exhibit “D” hereto;

“Regional Office Center” shall mean the Project, as completed, which shall serve as the main office facility for the Parties;

“Structured Integrated Parking Garage” shall mean the approximately 570 space parking garage which is to be part of the Project.

RECITALS:

A. WHEREAS, RPTA, a public agency, is authorized to enter into this Memorandum as an intergovernmental agreement pursuant to A.R.S. §11-952; and

B. WHEREAS, METRO is authorized to enter into this Memorandum as an intergovernmental agreement pursuant to A.R.S. §11-952; and

C. WHEREAS, MAG, as a council of regional governments, is authorized to enter into this Memorandum upon approval by its Regional Council; and

D. WHEREAS, the Parties desire to set forth their agreement and relationship by which the Parties will acquire the Real Property for the Project, construct the Project, allocate the costs for construction and operation of the Project, and occupy the Project; and

E. WHEREAS, the Parties intend that this Memorandum shall govern until such time as an Operating Agreement, to be executed by MAG as lead agency and contract administrator, prior to the COE, takes effect or when all conditions of the Memorandum are satisfied, whichever is later; and

F. WHEREAS, this Memorandum is intended by the Parties as the terms to be included in the Leases and an Operating Agreement pursuant to which the Parties will implement their occupation and use of the Project; and

G. WHEREAS, the Parties intend that:

(i) The Real Property will be acquired pursuant to the terms of a Purchase and Sale Agreement with DK Real Estate Holdings, LLC., the terms of which are set forth in a letter of intent attached as Exhibit "E" hereto;

(ii) the Project shall be constructed in accordance with the Plans and Specifications;

(iii) upon completion of a certificate of occupancy for the Project the Buyer LLC will transfer the Real Property and the Project to the City and lease the Real Property and the Project back from the City pursuant to a lease in the form to be agreed to by the Parties and the City;

(iv) contemporaneously with and as a condition precedent to COE on the Real Property and execution of the Guaranteed Maximum Price ("GMP") component of the Design-Build Agreement, the Parties shall execute and deliver their respective Leases to the Buyer LLC;

(v) contemporaneously with and as a condition precedent to the COE on the Real Property and execution of the GMP component of the Design-Build Agreement, the Buyer LLC and the IDA shall close and fund the IDA Financing;

(vi) contemporaneously with and as a condition precedent to the COE on the Real Property and execution of the GMP component of the Design-Build Agreement and funding of the of the IDA Financing, the Buyer LLC, among other things, shall execute and deliver to the IDA: (a) a first lien deed of trust and assignment of rents encumbering the Project; and (b) a collateral assignment of the Leases; and

(vii) contemporaneously with and as a condition precedent to the COE on the Real Property and execution of the GMP component of the Design-Build Agreement, the Buyer LLC, as Owner, and MAG, as Operating Agent, shall enter into an Operating Agreement.

NOW THEREFORE for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENTS:

1. INCORPORATION OF DEFINITIONS AND RECITALS. The Parties herewith incorporate the Definitions and Recitals as agreement of the Parties.

2. TERM.

2.1 Term. The Term of this Memorandum shall commence on the Effective Date, and shall automatically terminate when: (i) the Operating Agreement takes effect; or (ii) all terms and conditions of this Memorandum have been satisfied, whichever is later.

3. GOVERNING STRUCTURE.

3.1. Purchase of Real Property. MAG shall be the lead agency and contract administrator in coordinating the negotiations for the purchase of the Real Property. RPTA and METRO agree that MAG has their consent to authorize the CFC to create an LLC that shall act as the Buyer LLC and the Buyer LLC is authorized to enter into a purchase and sale agreement for the acquisition of the Real Property on the terms set forth in the Letter of Intent attached hereto as Exhibit "E";

3.2. Construction of Project. MAG shall be the lead agency and contract administrator in coordinating the negotiations for the construction of the Project. RPTA and METRO agree that the Buyer LLC is authorized to enter into (i) a design-build agreement pursuant to the Plans and Specifications set forth in Paragraph 4 of this Memorandum; (ii) finance agreements as set forth in Paragraph 6 of this Memorandum; and (iii) a development agreement with the City as set forth in Paragraph 7 of this Memorandum.

3.3. Approval by Respective Agencies. Paragraph 3.1 notwithstanding, the Parties recognize and acknowledge that each must obtain approval from their respective governing bodies for purposes of ratifying any agreements for purpose of the purchase of the Real Property, construction of the Project; financing of the Project; operating the Project, and leases pursuant to the development agreement with the City (the "Additional Agreements"). Each Party agrees that it shall bring forth such Additional Agreements for consideration by its governing body at the earliest possible time following finalization of any such Additional Agreements. In the event that the governing bodies of MAG, METRO, or RPTA at any time disapproves of any of the Additional Agreements set forth in this Memorandum, the obligation of the other Parties shall terminate and each Party then has the right, but not the obligation, to terminate this Agreement and each Party shall bear its proportionate share of costs incurred as of the date of termination, but the maximum liability for such costs is estimated not to exceed \$330,000.

4. PLANS AND SPECIFICATIONS.

4.1 Schematic Plans. The Parties, at their respective cost, shall meet and confer in good faith to agree upon Schematic Plans (herein so-called) for the Project.

4.2 Design Development Plans. After the Parties have agreed upon the Schematic Plans, they shall present the Schematic Plans to the Design-Build Team and thereupon mutually agree, in good faith, with the Design-Build Team on the Design Development Plans (herein so-called) for the Project. The Design Build Team and the Parties shall use their best efforts to agree upon the Design Development Plans within 90 days after the Schematic Plans are

presented to them, with the object of keeping the cost of the Project within the limits of the IDA Financing. At such time as the Design Development Plans are agreed to, in writing, by the Parties and the Design-Build Team, Design Development Plans shall be attached as an Exhibit to the final GMP component of the Design-Build Agreement.

5. THE DESIGN-BUILD AGREEMENT.

5.1 The Design-Build Agreement. While the Parties will not be parties to the Design-Build Agreement, the Design-Build Agreement and the acquisition of the Project by the Buyer LLC are integral to the Parties' plans for the development and use of the Project. Accordingly, the Parties will meet to agree upon the form of a Design-Build Agreement and MAG will, as lead agency and contract administrator, take all steps deemed necessary by the Parties to immediately cause the CFC to: (i) form the Buyer LLC; (ii) have the Buyer LLC enter into a mutually agreeable Design-Build Agreement with the Design-Build Team subject to the prior written approval of the Parties, which approval shall be in the Parties' sole discretion; (iii) work with the IDA to close the IDA Financing contemporaneously with the COE of the Real Property and the execution of the Design-Build Agreement; (iv) work with the Design-Build Team to execute the GMP component of the Design-Build Agreement contemporaneously with the COE of the IDA Financing; and, (v) deliver the respective Premises to the respective Parties in accordance with their respective Leases.

5.2 Amendments to the Design-Build Agreement. In the event the Design-Build Agreement requires amendment based on force majeure factors or as otherwise agreed to, in writing, by the Design-Build Team and the Buyer LLC and the IDA, as applicable, the Parties agree that MAG, as contract administrator, shall have authority to authorize the Buyer LLC to enter into such Amendments so long as such Amendments do not create any additional financial obligations on any Party.

5.3. MAG as Lead Agency. The Parties agree that for purposes of the Design-Build Agreement, MAG shall act as the contract administrator on behalf of the Buyer LLC and shall, in accordance with an agreement between MAG and the Buyer LLC, be responsible for authorizing the Buyer LLC to make progress payments as may be required by the Design-Build Agreement, and to oversee the construction administration, and the fiscal administration.

6. IDA FINANCING. The Parties, at their respective costs shall take all steps as reasonably required by the IDA, the CFC, and the Buyer LLC to cause the IDA Financing to be timely closed and funded contemporaneously with COE of the Real Property and execution of the Design-Build Agreement.

7. THE LEASES.

7.1 The Initial Premises. The Parties, at their respective costs, agree to lease their respective Premises in accordance with their respective Leases as of execution of the GMP component of the Design-Build Agreement and the IDA Financing. In this regard, the Parties agree that their respective Premises shall consist of the following estimated rentable square feet and associated parking, which square footage is subject to increase or decrease depending upon

the Plans and Specifications:

Regional Office Center Building - By Office Square Footage with MAG Absorbing Conference Center, Media Center, and any retail or other space

| | | |
|---|---|---------------------|
| MAG Conference Center, Media Center, retail and other space | 99,289 square feet + 16,071 square feet | 47.94% |
| RPTA | 59,279 square feet + 16,071 square feet | 31.32% |
| METRO | 33,831 square feet + 16,071 square feet | 20.74% |
| Rentable SF (approximate) | 192,399 square feet | 100 % |
| Common Area Space* (16,071 square feet per party X 3) | 48,213 square feet | |
| TOTAL Building SF (approximate) | 240,612 square feet | |
| Parking Garage Square Footage: | | |
| MAG Parking | 33.83% | 100,299 square feet |
| RPTA Parking | 42.13% | 124,880 square feet |
| METRO Parking | 24.04% | 71,270 square feet |
| TOTAL Parking SF | 100% | 296,449 square feet |
| ESTIMATED TOTAL Project SF | 537,061 square feet | |

7.2 The Reconfigured Premises. In the event the Final Plans result in a reconfiguration of the net rentable square footage of the Building and the respective Premises, the Parties agree that the rental square footage shall be changed to reflect the net square footage.

8. COST ALLOCATIONS.

8.1 Pre-occupancy Costs. To the extent such costs are included in the IDA financing of the Project, the Parties agree that all costs shall be shared on an equal basis including, but not limited to: (i) the costs, if any, paid to RYAN and Company pursuant to an indemnification agreement with RYAN; (ii) the administrative, including appraisal and survey, costs necessarily incurred for the purchase of the Real Property; (iii) the option price for the purchase of the Real Property as more particularly described in section 8.2 of this Agreement; (iv) all costs associated with the cancellation of the procurement with RYAN; and (v) construction of Common Space Areas.

8.2 Land Acquisition. The Parties agree that the cost of the purchase of the Real Property shall be allocated equally with MAG, RPTA and METRO each contributing to the cost of the Real Property on a one-third (1/3), one-third (1/3), one-third(1/3) basis. The COE for the land acquisition is to take place on or before August 1, 2008. The parties agree, beginning December 1, 2007, and continuing until the COE, as consideration of the Seller holding the Property off the market, to authorize the Buyer LLC to pay a total of \$38,307.00 per 30 day period, or such pro rata amount depending on the COE. If, at any time, the Buyer LLC decides

not to purchase the Property, the Purchase Agreement and Escrow for the land acquisition shall be cancelled at no further cost to the Buyer LLC.

8.3 Construction Allocation. The Parties agree that the cost of the construction of the Project, including direct and indirect building construction financing costs and debt service, shall be allocated based upon the office square foot percentage with MAG absorbing the Conference Center, Media Center, and any retail or other space into its proportionate share of office square footage, which are estimated currently as follows: MAG (47.94%), RPTA (31.32%), METRO (20.74%). The cost of construction for the Conference Center and Media Center shall be allocated to MAG. All other common area direct construction allocations will be shared equally by the parties as set forth in section 8.1 of this Agreement.

8.4 Other Costs. The Parties agree that, other costs including operating costs, tenant improvements, capital reserve account, parking garage construction (direct cost only), parking garage financing costs, City administrative fee, and LLC annual fee shall be allocated upon the following percentage, which percentage is the estimated office square footage only: MAG (33.83%), RPTA (42.13%), and METRO (24.04%). Each party shall be responsible for its proportionate share of the parking costs based on office square feet.

8.5 Usage Fee. The Parties agree that a usage fee shall be paid to MAG for use of the Conference Center and Media Center to cover operational expenses incurred by MAG in staffing the Conference Center and Media Center. Additional detail regarding the Usage Fee will be included in the Operating Agreement.

9. Parking Allocation

Each agency will be allocated parking based upon percentage of office square feet. For the purposes of parking usage related to the conference center, each agency will provide its proportionate share of parking spaces to accommodate regional meetings.

9.1 Leasing/Sale of Parking Spaces. The parties agree to lease or sell not more than 40 of the approximately 570 parking spaces in the integrated structured parking garage to the owner/developer of the westerly-adjointing parcel.

10. CLOSING ACTIVITIES. At COE of the Real Property and execution of the GMP component of the Design-Build Agreement, the Buyer LLC and MAG as lead agency and contract administrator shall attend the the IDA Financing Closing (herein so-called) at which time the Buyer LLC and MAG as lead agency and contract administrator shall execute and deliver, as applicable, the following documents and shall take all necessary actions as follows:

- (i) the Leases and pay all deposits and other amounts, if any, due under their respective Leases;
- (ii) all documents, if any, required by the IDA in regard to the IDA Financing;
- (iii) all documents, if any, required by the Escrow Agent in regard to the Design-Build Agreement;

- (iv) all funds required of the Parties in accordance with this Memorandum;
- (v) an Operating Agreement for the Conference Center and Media Center; and
- (vi) all documents, if any, reasonably required by any of the other Parties to fulfill the requirements and objectives of this Memorandum.

11. PARTIES' EXPENSES.

11.1 No Authority to Incur Expenses. Any provision of this Memorandum to the contrary notwithstanding, no Party shall have any right or authority to incur any expense or create any obligation on the part of any other Party to a third party unless previously agreed to in writing by the Party to be charged or as set forth in this Memorandum.

11.2 Expenses During Pre-Occupancy Period.

11.2.1 It is anticipated that certain Pre-Occupancy Period Expenses (herein so-called) will be incurred by the Parties in regard to the Property during the Term relating to lender submissions, leasing, land use proceedings, third-party professional fees and other Pre-Occupancy Period efforts required of the Parties in accordance with this Memorandum, the IDA Financing and the Design-Build Agreement. The Parties anticipate that such Pre-Occupancy Period Expenses shall become a part of the IDA Financing. However, to the extent such Pre-Occupancy Period Expenses are not included in the IDA Financing, the parties agree to an equal sharing of such expenses. In the event that IDA Financing does not occur and there is no COE, the parties shall still be liable for costs incurred until the date that the Purchase and Sale Agreement is cancelled. The parties agree to an equal sharing of such costs in an estimated cap of \$330,000 each.

11.2.2 Any provision of this Memorandum to the contrary notwithstanding, attorneys' fees incurred by the respective Parties in the process of negotiating and drafting this Memorandum and the additional agreements contemplated by this Memorandum shall be paid by the respective Parties as their sole and separate obligations.

12. OWNER REPRESENTATIVES AND PROGRESS MEETINGS.

12.1 Representatives. Each Party designates the respective individual named below as its representative to act on its behalf in all matters covered by this Memorandum. All inquiries, requests, instructions, authorizations, and other communications with respect to the matters covered by this Memorandum shall be made to such representatives and the actions of such representatives shall be binding upon the Party. Any Party, without further or independent inquiry, may assume and rely at all times that each of the other Parties' representatives designated hereunder has the power and authority to make decisions on behalf of such Parties, to communicate such decisions to other Parties and to bind such Party by his acts and deeds, unless otherwise notified in writing by the Party designating the representative. Any Party may change its representative under this Memorandum at any time by written notice to the other Parties. The initial representative of each Party for purposes of this Paragraph shall be as follows:

MAG: Dennis Smith
RPTA: David A. Boggs
METRO: Richard J. Simonetta

12.2 Meetings. During the Term, the designated representatives of the Parties shall meet on a regular basis (the frequency of which shall be bi-monthly unless as otherwise agreed, in writing, by the Parties) regarding the progress and policy related issues regarding the Project. MAG, as the lead agency and contract administrator, shall be responsible for scheduling the time and location of such meetings as well as the bi-weekly construction meetings involving project team members to discuss the status of the Project, scheduling and coordination issues, engineering and design, leasing, financing and other similar issues and shall give the other Parties at least 5 days advance notice thereof unless a regular meeting place and time is agreed to by the Parties.

13. NOTICES. Any notices, demands or requests provided for or permitted to be given pursuant to this Memorandum must be in writing and may be served by depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid, and registered or certified, with a return receipt requested, or by hand delivery, facsimile transmission or express mail service. When giving any notices or demands or making any requests under this Memorandum, the addresses shall be as follows:

13.1 If to MAG: Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, Arizona 85003
Attn: Dennis Smith
Facsimile No.: (602) 254-6490

With a copy to: Mariscal Weeks McIntyre & Friedlander, PA
2901 North Central, Suite 200
Phoenix, Arizona 85012-2705
Attn: Fredda J. Bisman, Esq.
Facsimile No.: (602) 285-5100

13.2 If to RPTA Regional Public Transportation Authority
302 North 1st Avenue, Suite 700
Phoenix, Arizona 85003
Attn: David A. Boggs
Facsimile No.: (602) 495-0411

With a copy to: Moyes Storey
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004
Attn: William J. Sims, Esq.
Facsimile No.: (602) 274-9135

13.3 If to METRO

Valley Metro Rail, Inc.
101 North First Avenue, Suite 1300
Phoenix, Arizona 85003
Attn: Richard J. Simonetta
Facsimile No.: (602) 262-2682

With a copy to:

Michael J. Ladino, Esq.
101 North First Avenue, Suite 1300
Phoenix, Arizona 85003
Facsimile No.: (602) 271-9361

Each notice given by registered or certified mail shall be deemed delivered 2 business days after deposit as aforesaid, and each notice delivered in any other manner shall be deemed to be delivered at the time of actual delivery. Each Party hereto may change its address for notice by giving notice thereof in the manner hereinabove provided.

14. MODIFICATION/WAIVER.

No modification, waiver, amendment, discharge or change of this Memorandum shall be valid unless the same is in writing and signed by the Parties.

15. ATTORNEYS' FEES.

In the event any Party commences litigation for the judicial interpretation, enforcement, termination, cancellation or rescission hereof, or for damages for the breach hereof, then, in addition to any or all other relief awarded in such litigation, the prevailing party therein, as determined by the Court, shall be entitled to a judgment against the other party or parties for an amount equal to reasonable attorneys' fees and court and other costs incurred, in such amount as may be determined by the Court.

16. JURISDICTION/VENUE.

Any action, suit or proceeding arising out of, based on or in connection with this Memorandum may be brought only in the Superior Court of the State of Arizona located in Maricopa County, Arizona (the "Court"), each Party covenants and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of any such Court, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper, or that this Memorandum or the subject matter hereof may not be enforced in or by the Court.

17. GOVERNING LAW.

This Memorandum shall be construed and enforced in accordance with the laws of the State of Arizona.

18. ASSIGNMENT.

No Party may assign or transfer any of their respective interests in this Memorandum without the prior written consent of the other Parties, which consent may be withheld in their sole discretion. Notwithstanding any such permitted assignment, the assigning Party shall not be released from any obligation or liability arising under this Agreement prior to the effective date of the Assignment Agreement unless otherwise agreed to by such non-assigning Parties, in their sole discretion.

19. EVENTS OF DEFAULT.

The following shall be Events of Default (herein so-called) under this Memorandum:

(i) a failure to perform any monetary obligation imposed on a Party in accordance with this Memorandum which failure continues for more than ten (10) days after receipt of written notice thereof from another Party;

(ii) a failure by a Party to perform any non-monetary obligation imposed on a Party in accordance with this Memorandum which failure continues for more than twenty (20) days after receipt of written notice thereof from another Party;

(iii) a material breach of any representation or warranty of a Party set forth in this Agreement.

20. REMEDIES.

In the event of an Event of Default by a Party of any of a Party's obligations under this Memorandum, the Parties agree, prior to terminating this Memorandum or initiating any legal action, to meet in good faith to resolve any Event of Default (the "Good Faith Meeting"), within ten (10) days of any Party providing written notice of an Event of Default. In the event that a resolution cannot be reached at the Good Faith Meeting, this Memorandum shall be terminated and the non-breaching Parties may file such legal action for any and all damages sustained.

21. FURTHER DOCUMENTS.

The Parties agree to execute any other agreements or instruments as the other Party may reasonably require to further effectuate any of the agreements set forth in this Memorandum.

22. NO RECORDATION.

The Parties agree that this Memorandum shall not be recorded and that recordation of this Memorandum for any reason and in any form by any Party shall be an immediate and incurable breach of this Memorandum by such Party.

23. BINDING EFFECT.

Subject to the limitations set forth in this Memorandum, this Memorandum shall be binding upon the successors and assigns of the Parties.

24. NO THIRD PARTY BENEFICIARIES.

No person or entity not a party to this Memorandum shall be considered to be a third Party beneficiary hereof or have any rights arising out of this Memorandum unless expressly named as a third Party beneficiary herein.

25. NO PARTNERSHIP.

Each of the Parties shall be deemed to be independent parties under this Memorandum and nothing in this Memorandum shall be construed to create a limited liability company, a partnership or a joint venture among any of the Parties, except to the extent of the mutual obligations contained herein.

26. SEVERABILITY.

The invalidity of any portion of this Memorandum shall not affect the validity of the remaining portions which shall remain in full force and effect.

27. WAIVER OF PROVISIONS.

The failure to enforce at any time any provision of this Memorandum or to insist on timely performance of any obligation contained in this Memorandum shall not be construed to be a waiver of such provision or of any other provision or of the right to timely performance of all obligations contained herein.

28. ENTIRE AGREEMENT/CONTROLLING DOCUMENT.

This Memorandum and the Exhibits hereto contains the entire understanding of the Parties and supersede any prior understandings and agreements, written or oral, respecting the subjects discussed in this Memorandum. In the event of any conflict between this Memorandum and any of the Exhibits, this Memorandum shall supersede and control.

29. REASONABLE APPROVAL.

Concerning all matters in this Memorandum requiring the consent or approval of any Party or as a condition precedent to action by any Party or the Parties agree that any such consent to each approval shall not be unreasonably withheld unless otherwise provided in this Memorandum. Unless otherwise provided in this Memorandum, if any consent is withheld by any Party and the Court determines that such withholding of consent or approval is or was unreasonable, then such consent or approval shall be granted in the manner specified in the order of the Court and the respective Party's prior refusal to grant such consent or approval shall not be deemed to be a default or otherwise give rise to a claim for damages in connection with termination of this Memorandum.

30. TIME OF THE ESSENCE.

Time is of the essence of this Memorandum. However, if this Memorandum requires any act to be done or action to be taken on a date which is a Saturday, Sunday or legal holiday, such act or action shall be deemed to have been validly done or taken if done or taken on the next succeeding day which is not a Saturday, Sunday or legal holiday.

31. INCORPORATION OF EXHIBITS.

All Exhibits to this Agreement are fully incorporated herein as though set forth at length herein.

32. CONFLICT OF INTEREST.

This Agreement is subject to the provisions of A.R.S. Section 38-511.

[SEE NEXT FOR SIGNATURE PAGE]

IN WITNESS WHEREOF, this Memorandum has been executed as of the Effective Date.

MAG:

THE MARICOPA ASSOCIATION OF
GOVERNMENTS, an Arizona non-profit
corporation

By _____
Name: _____
Title: _____

RPTA:

THE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY, a
political subdivision of the State of Arizona

By _____
Name: _____
Title: _____

METRO

VALLEY METRO RAIL, INC., an Arizona
non-profit corporation

By _____
Name: _____
Title: _____

Memo of Coop - Final 12-11-07

REGIONAL OFFICE CENTER PROJECT

Cost Allocation Estimates Per Agency (1)

Land: (2)

| | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>TOTAL</u> |
|----------------|-----------------|-----------------|-----------------|-----------------|
| Land Cost (\$) | \$ 3,270,692.00 | \$ 3,270,692.00 | \$ 3,270,692.00 | \$ 9,812,076.00 |
| Land Cost (%) | 33.33% | 33.33% | 33.33% | 100.00% |

Building Costs

| | <u>Gross Cost</u> | <u>Square Ft.</u> | <u>Price / SF</u> |
|-----------------|-------------------|-------------------|-------------------|
| Office Building | \$ 60,167,131 | 240,612 | \$ 250.06 |
| Parking Garage | 16,920,793 | 296,449 | \$ 57.08 |
| Total | \$ 77,087,924 | | |

| <u>Office Building SF</u> | | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>Total</u> |
|---------------------------|------------|------------|-------------|------------|--------------|
| Office Space | SF | 47,611 | 59,279 | 33,831 | 140,721 |
| | Percentage | 33.83% | 42.13% | 24.04% | 100.00% |
| Other Space | SF | 51,678 | - | - | 51,678 |
| | Percentage | 100.00% | 0.00% | 0.00% | 100.00% |
| Common Areas | SF | 16,071 | 16,071 | 16,071 | 48,213 |
| | Percentage | 33.33% | 33.33% | 33.33% | 100.00% |
| Total SF | | 115,360 | 75,350 | 49,902 | 240,612 |
| | | 47.94% | 31.32% | 20.74% | 100.00% |

Cost Allocation

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| Office Space | \$ 11,905,546 | \$ 14,823,231 | \$ 8,459,737 | \$ 35,188,514 |
| Other Space | 12,922,535 | - | - | 12,922,535 |
| Common Areas | 4,018,694 | 4,018,694 | 4,018,694 | 12,056,082 |
| Total Cost | \$ 28,846,775 | \$ 18,841,925 | \$ 12,478,431 | \$ 60,167,131 |
| | 47.94% | 31.32% | 20.74% | 100.00% |

| <u>Parking Garage (3)</u> | | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>Total</u> |
|---------------------------|----|------------|--------------|--------------|---------------|
| SF | | 100,299 | 124,880 | 71,270 | 296,449 |
| Cost Allocation | \$ | 5,724,916 | \$ 7,127,918 | \$ 4,067,960 | \$ 16,920,793 |

| <u>Total Project Cost Allocation</u> | | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>Total</u> |
|--------------------------------------|----|------------|---------------|---------------|---------------|
| <u>Land Cost</u> | \$ | 3,270,692 | \$ 3,270,692 | \$ 3,270,692 | \$ 9,812,076 |
| | | 33.33% | 33.33% | 33.33% | 100.00% |
| <u>Building:</u> | | | | | |
| Office Space | \$ | 11,905,546 | \$ 14,823,231 | \$ 8,459,737 | \$ 35,188,514 |
| | | 33.83% | 42.13% | 24.04% | 100.00% |
| Common Areas | \$ | 4,018,694 | \$ 4,018,694 | \$ 4,018,694 | \$ 12,056,082 |
| | | 33.33% | 33.33% | 33.33% | 100.00% |
| Other Space | \$ | 12,922,535 | - | - | \$ 12,922,535 |
| | | 100.00% | 0.00% | 0.00% | 100.00% |
| <u>Parking Garage</u> | \$ | 5,724,916 | \$ 7,127,918 | \$ 4,067,960 | \$ 16,920,793 |
| | | 33.83% | 42.13% | 24.04% | 100.00% |
| Total Building | \$ | 34,571,691 | \$ 25,969,843 | \$ 16,546,390 | \$ 77,087,924 |
| | | 44.85% | 33.69% | 21.46% | 100.00% |
| <u>Grand Total</u> | \$ | 37,842,383 | \$ 29,240,535 | \$ 19,817,082 | \$ 86,900,000 |
| | | 43.55% | 33.65% | 22.80% | 100.00% |

| <u>Operating Expense Allocation</u> | | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>Total</u> |
|--|--|------------|-------------|------------|--------------|
| (Based on Estimated Office Square Footage) | | | | | |
| Total expense allocation | | 33.83% | 42.13% | 24.04% | 100.00% |

| <u>Pre-Occupancy Expense Allocation</u> | | <u>MAG</u> | <u>RPTA</u> | <u>VMR</u> | <u>Total</u> |
|---|--|------------|-------------|------------|--------------|
| (Based on 1/3 Split) | | | | | |
| Total expense allocation | | 33.33% | 33.33% | 33.33% | 100.00% |

NOTE:

- (1) Estimated cost information was obtained from the original project design. The estimates are based on an overall project cost for the building structure of \$77.1 million and land cost of \$9.8 million for a total estimated project cost of \$86.9 million.
- (2) Land cost information is based upon an assumption of 1/3 split cost among the agencies.
- (3) Total number of parking spaces for the project is estimated to be 573.

EXHIBIT "A" TO MEMORANDUM

Form of Lease

[TO COME]

Legal Description of the Real Property

Order No.: 71010913

Parcel No. 1:

Lot 1 and the South 35 feet of Lot 3, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

Parcel No. 2:

Lots 2 and 4, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

Parcel No. 3:

The North 15 feet of 3, All of Lot 5, and the South 35 feet of Lot 7, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

Parcel No. 4:

Lot 6 and the South half of Lot 8, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

Parcel No. 5:

The North 15 feet of Lot 7, All of Lot 9 and the South half of Lot 11, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

Parcel No. 6:

The North half Lot 8 and All of Lot 10, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, records of Maricopa County, Arizona.

EXCEPT therefrom Parcel Nos. 2, 4 and 6 the following described property:

A portion of Lots 2, 6 and 8, Block I, BENNETT PLACE, according to Book 2 of Maps, Page 43, being a portion of the Southwest quarter of Section 5, Township 1 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the intersection of 1st Avenue and McKinley Street;

THENCE North 89 degrees 54 minutes 58 seconds West, along the centerline of McKinley

Street, a distance of 45.00 feet;

THENCE North 00 degrees 12 minutes 15 seconds East, a distance of 35.00 feet to the POINT OF BEGINNING;

THENCE North 89 degrees 54 minutes 58 seconds West, a distance of 16.67 feet;

THENCE North 44 degrees 36 minutes 10 seconds East, a distance of 23.83 feet;

THENCE South 00 degrees 12 minutes 15 seconds West, a distance of 16.99 feet to the POINT OF BEGINNING, AND ALSO

COMMENCING at the intersection of 1st Avenue and McKinley Street;

THENCE North 00 degrees 12 minutes 15 seconds East, along the centerline of 1st Avenue, a distance of 144.90 feet;

THENCE South 88 degrees 58 minutes 29 seconds West, a distance of 45.01 feet to the POINT OF BEGINNING;

THENCE continuing South 88 degrees 58 minutes 29 seconds West, a distance of 2.22 feet to a point of cusp of a curve whose 3197.50 foot radius bears South 88 degrees 58 minutes 29 seconds West and is concave Southwesterly;

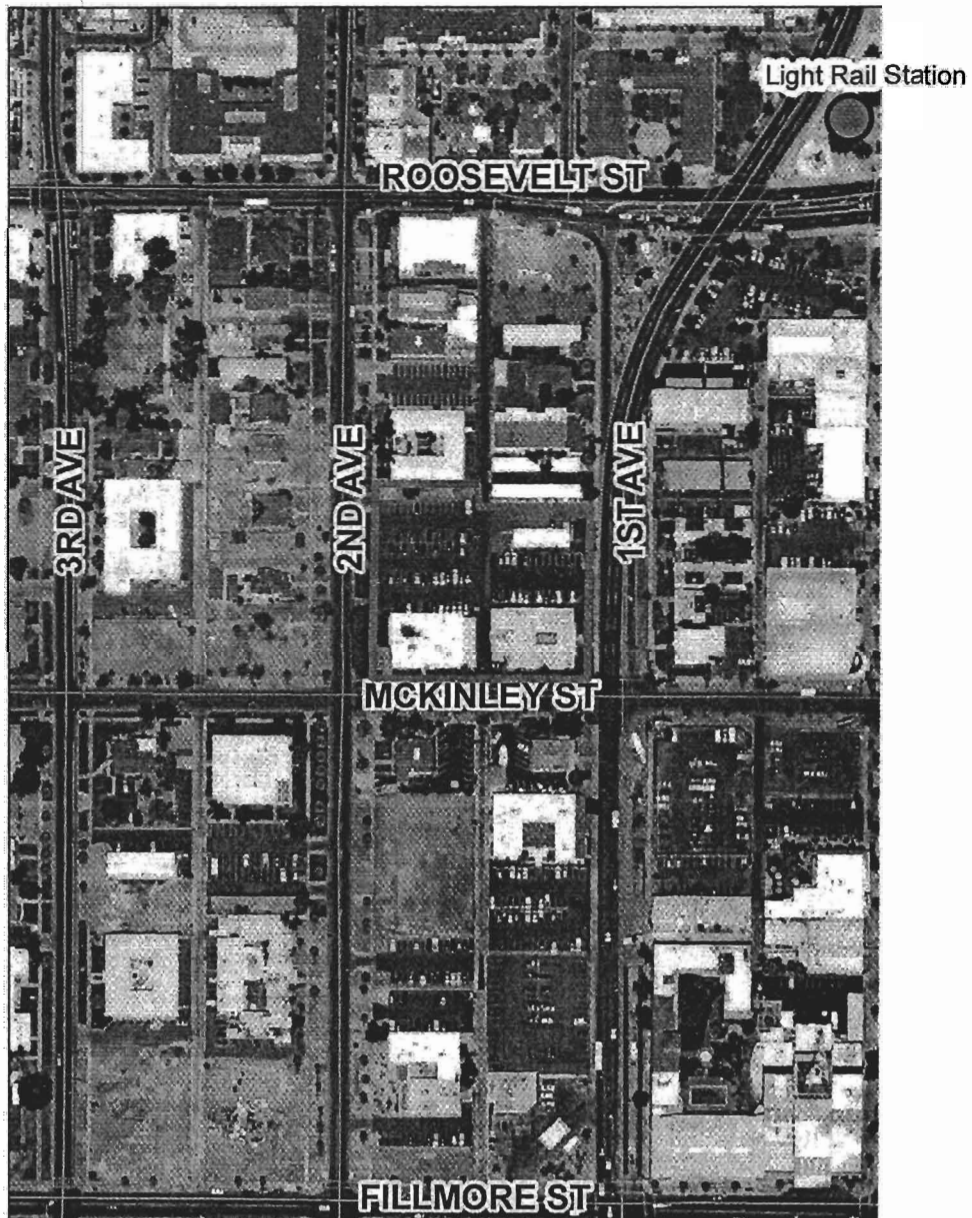
THENCE Northerly, along said curve, through a central angle of 0 degrees 55 minutes 54 seconds, a distance of 52.00 feet;

THENCE North 88 degrees 02 minutes 35 seconds East, a distance of 3.76 feet;

THENCE South 00 degrees 12 minutes 15 seconds West, a distance of 52.07 feet to the POINT OF BEGINNING.

Diagram of the Real Property

REGIONAL OFFICE CENTER
MCKINLEY/FIRST AVENUE SITE BOUNDARIES



NTS

Size: app. 64,956 sf.

**EXHIBIT "D" TO
MEMORANDUM**

Letter of Intent

JAMES M. BARRONS
TODD A. BAXTER
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RICHARD A. FRIEDLANDER
JERRY GAFFANEY
KENNETH A. HODSON
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WILLIAM NOVOTNY
CHARLES H. OLDHAM
DAVID J. OUMETTE

NOEL FIDEL
RUSSELL PICCOLI
PAUL V. WENTWORTH

(OF COUNSEL)
(OF COUNSEL)
(OF COUNSEL)

PHILLIP WEEKS (1998-1998)
DONALD N. MCINTYRE (1992-1998)

JEFF C. PADDEN
JAMES H. PATTERSON
MICHAEL J. PLATT
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ANNE L. TIFEN
DENISE H. TROY
SOPHIA VARMA
PETER A. WINKLER
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CLAUDIA D. WORK

LAW OFFICES

MARISCAL, WEEKS, MCINTYRE & FRIEDLANDER, P.A.

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WRITER'S DIRECT LINE: (602) 285-5081
E-MAIL: marlene.pontrelli@mwmf.com
OUR FILE NO. 11681-2

November 12, 2007

David and Cheryl Kaye
DK Real Estate Holdings, L.L.C.
P.O. Box 13334
Phoenix, Arizona 85002

Re: Letter of Intent to Purchase by a Nominee of The Maricopa Association of Governments ("MAG"), The Regional Public Transportation Authority (the "Authority"), and Valley Metro Rail, Inc. ("Metro") (the "Buyer") to Purchase the Property located at the NWC of First Avenue and McKinley Street, Phoenix, Arizona (the "Property")

Dear Mr. and Mrs. Kaye:

By way of introduction our Firm represents MAG albeit our Firm is writing this letter of intent ("LOI") on behalf of the Buyer that will be nominated by MAG, the Authority and Metro and is based upon draft materials provided to us on or about July 25, 2007 by MAG. Buyer understands that DK Real Estate Holdings, LLC, as seller of the Property, is the fee owner of the Property (the "Seller") based upon the foregoing, this LOI sets forth an outline upon which the Seller will sell the Property to Buyer.

The Property is more fully described as an improved parcel of land of approximately 1.49 acres and otherwise identified as Maricopa County, Arizona Tax Parcel Nos. 111-40-073, 074A, 075, 076A, 077 and 078 except that western thirty (30) feet thereof fronting on 2nd Avenue that is to be developed by Seller as and for residences and/or commercial retail (the "Excepted Parcel"). The Excepted Parcel is to be developed in accordance with a subsequently negotiated agreement between one or more of the parties, or third-parties with the intent being to develop

**EXHIBIT "E" TO
MEMORANDUM**

November 12, 2007

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the Excepted Parcel in such a way as to act as a buffer between the development of the Property and the residential neighborhood to the west of 2nd Avenue.

Buyer's Purchase Offer (herein so called) is as follows:

1. SELLER: Seller is DK Real Estate Holdings, LLC.
2. BUYER: Buyer or a nominee of Buyer's selection, with approval from MAG, the Authority, and Metro, including, but not limited to, a limited liability company wherein the Community Finance Corporation, an Arizona non profit corporation, is the sole member;
3. INCLUSIONS IN PROPERTY. The Property shall include, but not be limited to: (i) the real property, excluding the Excepted Parcel (the "Real Property"); (ii) all water and mineral rights, if any, pertaining to the Real Property; (iii) all interest, if any, in any adjoining roads; (iv) all interest, if any, in any award or settlement arising by reason of any condemnation; (v) all interest in the buildings (the "Buildings") and other improvements, if any, on the Real Property (collectively the "Improvements"); (vi) all interest in any equipment, machinery and personal property used on or in connection with the Real Property; and, (vii) all interest, to the extent transferable, in all permits, licenses, warranties and contractual rights with respect to the operation, maintenance or repair of the Buildings and Improvements;
4. TRANSFER DOCUMENTS. Transfer of the Property shall be by special warranty deed from the Seller to Buyer and other transfer documents (e.g.: Bill of Sale and Assignment of Contracts and Permits) in a form mutually acceptable to the Seller and Buyer;
5. PURCHASE PRICE:
 - 5.1 Seller and Buyer agree that Buyer will purchase the Property for a Price (herein so called) equal to \$146.00 times the total number of Net Square Feet (as defined below) comprising the Real Property, which is currently estimated to total approximately 67,206 Net Square Feet. Thus, by way of example if the number of Net square Feet is 67,206 the Price would be \$9,812,076.00. This number represents approximately 5,000 square feet for an alley, minus approximately 3,500 square feet for a new alley. Seller agrees to take all steps necessary to have the alley abandoned;
 - 5.2 When Seller and Buyer receive the Survey (as defined below) the total number of Net Square Feet, as provided therein, comprising the Real Property shall be used to calculate the Price. For the purpose of this LOI, the term "Net Square Feet" shall include the approximately 5,000 square foot of alley as indicated above provided the City of Phoenix indicates an intent to abandon the alley prior to COE. Gross square footage of the Real Property does not include: (i) dedicated rights of way existing as of opening of escrow ("OOE") and as COE; (ii) the Excepted Parcel; and (iii) any dedications required prior to COE for the Light Rail Transit Project (herein so called);
6. PAYMENT TERMS. The Price is to be paid in single lump sum, in immediately available funds, at COE;

7. PRELIMINARY TITLE REPORT AND OBJECTIONS. Seller shall cause a Commitment for Title Insurance (preliminary title report) (the "Report") to be obtained from Fidelity National Title Insurance Company, as title insurer, which is also to be the escrow agent for the sale transaction (the "Escrow Agent") within 5 days following the OOE. Buyer is to have until 5:00 p.m. MST 10 days after the submittal (the "Study Period") within which to object to any items in the Report and the Survey (as defined below). If Buyer's objections are timely made, Seller, in Seller's sole discretion, shall, within 5 days thereafter, determine whether or not to attempt to cure Buyer's objections by the 10th day thereafter failing which: (i) Buyer shall either waive the curing of Buyer's uncured objections and proceed with the sale transaction; or, (ii) Buyer shall cancel the Purchase Agreement (as defined below) whereupon the Parties shall have no further liability or obligation under the Purchase Agreement save and except for any "Survival Items" as may be defined in the Purchase Agreement;

8. BUYER'S CONTINGENCIES. Buyer's obligation to purchase the Property in accordance with the Purchase Agreement, among other things, shall be subject to the following contingencies that will be set forth in the Purchase Agreement and that may be waived or approved only by Buyer;

8.1 The Study Period. Buyer shall have until the end of the Study Period to conduct and approve any investigations deemed necessary to Buyer to determine the feasibility of acquiring the Property (the "Studies"). With regard to the Studies, Seller shall grant to Buyer and Buyer's agents the right to enter upon the Real Property at any time or times during the Study Period. If the results of any of the Studies are not acceptable to Buyer for any reason or for no reason at all and Buyer notifies Seller, in writing, on or before the end of the Study Period, this LOI and the Purchase Agreement shall be cancelled and the Parties shall have no further liability or obligation under either this LOI or the Purchase Agreement except for any Survival Items;

8.2 The Survey. If a Survey is not otherwise obtained for the Property, Seller, at Seller's sole cost, shall obtain and deliver to Buyer and Escrow Agent, on or before 5:00 pm MST on the 10th day of OOE, a certified ALTA Survey of the Property prepared by an engineer or surveyor licensed in Arizona and acceptable to Buyer for the purposes of: (i) the Escrow Agent's issuance of an ALTA Extended Owner's Policy of Title Insurance to Buyer in the amount of the Price (the "Title Policy"); and (ii) setting forth the Net Square Feet for the purpose of calculating the Price;

8.3 Title Policy. The Escrow Agent shall issue to Buyer at COE the Title Policy subject only to those matters approved or deemed approved by Buyer in accordance with the Purchase Agreement;

8.4 Appraisal. Buyer has already obtained an appraisal for the Property;

9. THE EXCEPTED PARCEL.

9.1 Excepted Parcel Replat. The Seller, at Seller's sole cost and in a form

acceptable to the IDA, the City, and Buyer, by COE shall have caused the City to enter a written notice confirming the intent to permit a Replat by which the Excepted Parcel shall be severed from the Real Property as a separate real property tax parcel;

9.2 Development on Excepted Parcel. With respect to the development to be constructed by Seller on the Excepted Parcel, Seller will agree that parking may be within the Property to be developed by the Buyer and that Seller has the right to purchase sufficient parking to accommodate the needs of the development. Parking spaces to be sold at then appraised building cost. Seller will be obligated to purchase those parking spaces upon completion of the Building. Depending upon the design of the Building Seller understands the necessity of having neighborhood approval on the project built on the Excepted Parcel and Seller agrees to meet with the Roosevelt Neighborhood within 60 days of OOE and commence drafting of architectural drawings for the Excepted Parcel within 60 days from an approved design by the Buyer. Seller further agrees to commence construction within 24 months of completion of the Project, provided that the economic building conditions for residential condominium/loft real estate provide for a reasonable opportunity for potential success. Such conditions and remedies for non-performance shall be provided for in the Purchase and Sale Agreement.

10. WARRANTIES. The Purchase Agreement shall provide for specific warranties to be made by Seller to Buyer in regard to the Property (e.g.: no unrecorded leases or liens; no notice of violations, no suits, and Seller's power and authority to execute and perform under the Purchase Agreement). The Purchase Agreement shall also provide for specific warranties to be made by Buyer to Seller in regard to the Property (e.g.: Buyer's power and authority to execute and perform under the Purchase Agreement);

11. BROKER'S COMMISSIONS. The Parties shall warrant to one another in the Purchase Agreement that they have not dealt with any real estate broker in regard to the Purchase Transaction (herein so called) to be evidenced by the Purchase Agreement. Should Seller engage the services of a broker, Seller shall be solely responsible for the payment of any commission due the Broker pursuant to a separate agreement to be entered into between the Seller and the Broker.

12. COE.

12.1 COE shall be on or before August 1, 2008;

12.2 Any provision of the Purchase Agreement to the contrary notwithstanding, Buyer may close escrow sooner if desired.

12.3 Beginning December 1, 2007, and continuing until the COE, Buyer shall pay to Seller an unconditional option price of \$38,307.42 per 30 day period (or such pro rata amount depending on the COE) as consideration for Seller holding the Property off the market. In the event that Buyer decides to not purchase the Property at any time, for any reason, the Purchase Agreement and Escrow shall be cancelled at no further cost to the Buyer.

13. RIGHTS TO ASSIGN.

13.1 The Purchase Agreement shall not be assignable by Seller without the prior written consent of Buyer or Buyer LLC, as applicable, except that Seller shall be entitled to assign its interest in the Purchase Agreement as part of an IRS Section 1031 Exchange; and

13.2 Buyer shall be entitled to assign any or all of its interest in the Purchase Agreement with seeking or obtaining Seller's consent thereto;

14. RISK OF LOSS. Seller shall bear all risk of loss to the Property which may occur prior to COE; and

15. Alternative Purchase of Property. In the event that Buyer determines it is in its interest to purchase only parcels 111-40-074A, 076A and 078, then Buyer shall have the right to notify Seller, in writing, of such desire, with no obligation to purchase the remaining parcels. In the event that Buyer does not purchase parcels 111-40-073, 075, and 077, then sections 9.1 and 9.2 of this agreement shall be null and void and no development stipulations shall exist on the Excepted Parcel.

This LOI to Purchase constitutes an outline of the terms upon which the Seller is willing to sell and the Buyer, upon approval by MAG, RPTA and Metro, is willing to purchase the Property. This LOI is not contractual in nature and shall be superseded by a definitive, written agreement of purchase and sale to be executed by the Seller and the Buyer within 15 days of the Buyer's delivery to Seller of the Purchase Agreement which shall be prepared by the Buyer (the "Purchase Agreement"). Neither Seller nor the Buyer shall have any obligations to the other until the provisions of the Purchase Agreement have been mutually agreed upon by Seller and the Buyer and a Purchase Agreement has been executed by Seller and the Buyer.

Furthermore, given that this LOI is subject to all necessary approvals on the part of the Buyer, it shall not be binding on the Buyer until such time as an approved Purchase Agreement is executed. However, in order to move forward with the drafting of a Purchase Agreement, it is necessary to insure that the terms and provisions hereof are acceptable to Seller that Seller so indicate by executing and immediately returning to the undersigned, by hand-delivery, the additional original of this LOI that is enclosed herewith. Thank you for your cooperation in this matter.

Sincerely,

**MARISCAL, WEEKS, McINTYRE &
FRIEDLANDER, P.A.**

Marlene A. Pontrelli

MAP:mdg

November 12, 2007
Page 6

cc: Dennis Smith
William J. Sims, Esq
Kathleen Ferris, Esq
Michael J. Ladino, Esq.
Anthony V. Giancana, Esq.
Jorge Albala, Esq.
Fredda J. Bisman, Esq
Marlene Pontrelli, Esq
Bryant D. Barber, Esq

ACCEPTANCE:

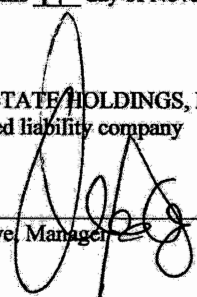
The foregoing Letter of Intent is hereby approved
and accepted this 14 day of November, 2007, by:

SELLER:

DK REAL ESTATE HOLDINGS, L.L.C., an
Arizona limited liability company

By: _____

David Kaye, Manager



**City of Phoenix**

DOWNTOWN DEVELOPMENT OFFICE

November 14, 2007

Mr. Dennis Smith
Executive Director
Maricopa Association of Governments
302 N. 1st Ave, Suite 300
Phoenix, AZ 85003

Dear Mr. Smith:

This letter and the enclosed term sheet are intended to summarize the business terms between Maricopa Association of Governments (MAG) and the City of Phoenix regarding MAG's Regional Office Center on approximately 1.6 acres located at the northwest corner of 1st Avenue and McKinley Street. If agreeable, these terms will be presented to the Phoenix City Council to obtain authorization to enter into the necessary agreements.

The proposed project would be an approximately 240,000 square foot (SF) office building and conference center with approximately 3,800 SF of ground level commercial retail space and 580 parking spaces. Since this project addresses multiple goals of the City's economic development and redevelopment initiatives in the City, the Downtown Development Office is prepared to recommend the following terms for your consideration. Additional terms and conditions are further described in the attachment.

To facilitate the development of the project, MAG would convey the property and building to the City of Phoenix and enter into a ground lease for a period of thirty (30) years. The ground lease schedule payments are described in the attachment. Under this arrangement, pursuant to current state law, with the required tenant certification the improvements being used for governmental activities will be exempt from government Property Lease Excise Tax (GPLET) payments.

In recognition of the significant capital investment, the Downtown Development Office will reconvey the land and improvements back to MAG at anytime during the lease at no cost.

We see this project as a significant step towards increasing the opportunities for additional employment and expansion of Class "A" office development in downtown Phoenix. We look forward to working with you on this project and thank you for your leadership in retaining your Regional Office Center project

Mr. Dennis Smith
Executive Director
Maricopa Association of Governments
Page 2

downtown. If you are generally in agreement with the terms outlined in this proposal and wish to proceed to City Council, please sign below and return a copy of this letter to me. Please contact me at (602) 495-5252 if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Chan', with a large, loopy flourish at the end.

John Chan
Director, Downtown Development Office

Dennis Smith

Date

Enclosures: Term Sheet

C: Jane Pincus, Law Department

PROPOSED BUSINESS TERMS FOR DEVELOPMENT OF MAG REGIONAL OFFICE CENTER

Property: Approximately 1.6 acres located at the northwest corner of 1st Avenue and McKinley Street.

Development: An approximate 240,000 gross square foot, multistory office building and conference center with approximately 3,800 sq. ft. of ground level commercial retail space and 580 parking spaces. MAG will incorporate public input into the final design of the project.

MAG's purchase agreement for the project site will require that the seller, who will retain ownership of the adjacent excess property at 2nd Ave/McKinley, initiate development of the retained property within two years after close of escrow for the project property.

**Conveyance/
Leaseback:** No more than six (6) months prior to conveyance of the property to the City, environmental due diligence reports are required per City of Phoenix Administrative Regulation 3.95.

Subject to an acceptable title review by the City, the developer will convey the property to the City of Phoenix at no cost to the City. The land and subsequently the improvements will be leased "as is" to MAG. The intent of the parties is that, pursuant to existing State Law, with the required tenant certification; the improvements being used for governmental activities will be exempt from government property lease excise tax payments.

Lease Term: Thirty (30) years

Annual Lease Rate:

| <i>Years</i> | <i>Annual Rent</i> |
|--------------|--------------------|
| 1-5 | \$0 |
| 6-10 | \$12,000 per year |
| 11-15 | \$18,000 per year |
| 16-20 | \$24,000 per year |
| 21-25 | \$30,000 per year |
| 26-30 | \$36,000 per year |

Reconveyance: City will reconvey the land and improvements back to MAG at anytime during the lease at no cost.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this "Agreement") is entered into as of December ____, 2007, by the Maricopa Association of Governments, an Arizona non-profit corporation ("MAG"), and the Ryan Companies, a Minnesota corporation ("Ryan"). MAG and Ryan may be referred to in this Agreement collectively as the "Parties", and each individually as a Party.

RECITALS

A. Commencing in 2006, pursuant to a public competitive process for the selection of a site and contractor to construct a regional office center ("ROC") on property located at the northwest corner of First Avenue and McKinley in the City of Phoenix (the "Kaye Property") to provide office, meeting, and related spaces to MAG, the Regional Public Transportation Authority, a political subdivision of the state of Arizona ("RPTA"), and Valley Metro Rail, Inc., an Arizona non-profit corporation ("METRO"), among others. MAG and Ryan entered into discussions of the design and possible construction of the ROC (the "RFP Process").

B. In a letter agreement dated June 8, 2006, and executed on behalf of MAG on June 13, 2006, which was then modified by a second letter agreement dated October 19, 2006, executed on behalf of MAG on October 24, 2006, MAG agreed, in writing, to indemnify Ryan for certain costs incurred by Ryan in the preliminary design process, in an amount not to exceed \$280,000.00 (collectively the "Indemnification Agreement").

C. On August 1, 2007, MAG issued a Request for Qualifications for Design/Build Services for the ROC, pursuant to Arizona Revised Statutes Title 34 (the "RFQ"). Proposals in response to the RFQ have been evaluated and ranked, and discussions have commenced to select a contractor (the "Replacement Contractor").

D. On September 26, 2007, Ryan, through its counsel, sent a letter to MAG demanding payment in the amount of \$755,164.00 as satisfaction of its obligations under the Indemnification Agreement and for services rendered beyond the scope of the Indemnification Agreement. MAG has alleged that it has no additional obligations to Ryan beyond the terms of the Indemnification Agreement.

E. Without admitting liability on any fact or claim, Ryan and MAG now desire to settle, compromise, and relinquish any and all claims whatsoever they have or may have in the future against each other or any of their agents or representatives arising out of, relating to, or connected with the RFP Process, the Indemnification Agreement, the RFQ, or the design and construction of an office building to provide office and meeting space to MAG, RPTA, Metro and/or any other political subdivision or non-profit entity.

AGREEMENTS

Based upon the foregoing Recitals, and in consideration of the covenants and obligations set forth in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Ryan Obligations. Ryan shall:

- A. Deliver to MAG the documents (including any and all electronic and/or CAD files) described in Exhibit "A" to this Agreement (the "Deliverables").
- B. Have delivered to MAG prior to the execution of this Agreement a written list of all of the architects, engineers and other design professionals Ryan contracted with and/or which provided any services or products in relation to the design of the ROC and/or the Deliverables (the "Design Professional List"). The Design Professional List is attached hereto as Exhibit "B". Ryan represents and warrants that the Design Professional List is complete and there are no other persons or entities which have any right, claim or interest in any of the Deliverables or any aspect or portion of the designs or documents for the ROC, and Ryan shall defend, indemnify and hold MAG, RPTA, METRO their agents, officers, representatives, employees, and assigns harmless from any and all claims by any person or entity claiming such interest or right.
- C. Deliver to MAG by no later than January 15, 2008 the Consent to Assignments and Assignments, Consents, and Authorizations (collectively, the "Assignments and Consents") fully executed by every architect, engineer, and other design professional Ryan contracted with and/or which provided any services or products in relation to the design of the ROC and/or the Deliverables, as set forth on the Design Professional List. The Assignments and Consents shall be in the forms attached hereto as Exhibits "C" and "D"
- D. Provide to MAG and/or the Replacement Contractor reasonable cooperation and such further information and/or documentation developed or obtained by Ryan within Ryan's possession or control which may be necessary for construction of the ROC.

2. Failure of Condition. If Ryan is unable to obtain such executed Consents from all such architects, engineers, and other design professionals as provided in Section 1, then Ryan shall not be liable to MAG pursuant to the terms of this Agreement,, no interest in any of the Deliverables shall pass to MAG, this

Agreement shall be of no further force or effect, and Ryan shall be entitled to pursue its legal remedies.

3. MAG Obligations. MAG will pay to Ryan the sum of Five Hundred Twenty-Five Thousand and No/100 Dollars (\$525,000.00) within five business days of MAG's receipt of all of the documents described in Exhibit "A" to this Agreement (the "Deliverables") and the Assignments and Consents listed in Exhibit "B" fully executed by every architect, engineer, and other design professional Ryan contracted with and/or which provided any services or products in relation to the design of the ROC and/or the Deliverables, as set forth on the Design Professional List. The Assignments and Consents shall be in the forms attached hereto as Exhibits "C" and "D". Effective upon Ryan's receipt of such payment, but only upon the receipt of such payment, Ryan hereby assigns to MAG all of Ryan's right, title and interest in the Deliverables and all licenses pertaining thereto.

4. Mutual Release. Except for the obligations of the parties set forth herein, Ryan and MAG, on behalf of themselves, their successors and assigns do hereby mutually release and forever discharge the other and any each of their respective current and former officers, board members, directors, shareholders, employees, agents, servants, representatives, independent contractors, guarantors, heirs, trustees, beneficiaries, successors, insurers, assigns, attorneys, and all affiliated entities, (hereinafter collectively referred to as "the Released Parties") from any and all claims, demands, causes of actions, or liability of any kind or character related to or arising from the Deliverables, the Indemnification Agreement, the RFP Process, and the RFQ,

5. Modifications and Waiver. No oral modifications of or amendments to this Settlement Agreement shall be effective.

6. Severability. If any portion of this Agreement is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way and the remaining provisions shall continue in full force and effect. A partial, nonmaterial, breach of this Settlement Agreement shall not operate to render the entire Settlement Agreement unenforceable and, in the event of a partial, nonmaterial breach, all of the provisions shall remain fully enforceable. No waiver shall be effective unless in writing and executed by the party against whom enforcement of the waiver is sought.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors, legal representatives and assigns of the City and Ryan.

8. Non-Disparagement. The parties shall not make statements or comments to third parties or the media concerning the other party concerning the

RFP Process, the ROC, the Kaye Property, the RFQ and the Replacement Contractor.

9. Entirety Clause. This Settlement Agreement constitutes the final, integrated agreement of the Parties. This Settlement Agreement supersedes all prior oral or written agreements between the parties (including specifically the Indemnification Agreement), and any statement, representation, promise or inducement not set forth herein is null and void, and not binding on either Ryan or MAG. The parties do not intend by this Settlement Agreement to benefit any other person.

10. Attorneys' Fees. If either party is required to retain an attorney to enforce any aspect of this Settlement Agreement or to pursue any other remedy provided by law or recognized in equity, the successful party shall be entitled to reasonable attorneys' fees and all court costs, if any.

11. Choice of Law. This Settlement Agreement shall be construed and enforced in all respects in accordance with the laws of the state of Arizona.

12. Effect of Headings. The headings in this Settlement Agreement have been inserted for convenience only and shall not affect the meaning or interpretation of any provision herein.

13. Additional Documentation and Cooperation. The Parties shall execute such additional documentation as may be necessary and reasonably cooperate to effectuate the intent of this Agreement.

14. Execution in Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Settlement Agreement or its terms to produce or account for more than one of such counterparts.

15. Authority. Each person signing this Settlement Agreement on behalf of a party represents and warrants that he or she is duly authorized to sign this Settlement Agreement on behalf of said party.

Effective as of the date set forth above.

RYAN COMPANIES US, INC.,
a Minnesota corporation

**MARICOPA ASSOCIATION OF
GOVERNMENTS**

By: _____
Its: _____

By: _____
Its: _____

Regional Office Center (MAG)

Job # 1622-000

Dated: October 18, 2006

PROJECT DRAWINGS

| Dr. # | Description | Original Date | CD Set | Most Current Date | Revision # | Status |
|----------------------|---|---------------|--------|-------------------|------------|--------|
| <u>General</u> | | | | | | |
| | Cover Sheet | 10/18/2006 | | | | |
| <u>Site/Civil</u> | | | | | | |
| C0.1 | Alta/Land Title Survey | 10/18/2006 | | | | |
| C0.2 | Water and Sewer | 10/18/2002 | | | | |
| C1 | Utility Exhibit | 10/18/2006 | | | | |
| C2 | Grading Exhibit | 10/18/2006 | | | | |
| <u>Landscape</u> | | | | | | |
| L1.0 | Streetscape Site Plan | 10/18/2006 | | | | |
| L2.0 | Greenroof Plan Alternate 2 bid | 10/18/2006 | | | | |
| L3.0 | Greenroof Plan Base Bid | 10/18/2006 | | | | |
| L4.0 | Landscape Concept Sketches | 10/18/2006 | | | | |
| L5.0 | Landscape Plant Images | 10/18/2006 | | | | |
| L6.0 | Hardscape Images | 10/18/2006 | | | | |
| <u>Architectural</u> | | | | | | |
| A0 | Site Plan | 10/18/2006 | | | | |
| A1.0 | Lower Level | 10/18/2006 | | | | |
| A1.1 | 1st Floor | 10/18/2006 | | | | |
| A1.2 | 2nd Floor | 10/18/2006 | | | | |
| A1.3 | 3rd Floor | 10/18/2006 | | | | |
| A1.4 | 4th Floor | 10/18/2006 | | | | |
| A1.5 | Conference Level (5th) | 10/18/2006 | | | | |
| A1.6 | 6th Floor | 10/18/2006 | | | | |
| A1.7 | 8th Floor | 10/18/2006 | | | | |
| A1.8 | 10th Floor | 10/18/2006 | | | | |
| A1.9 | Roof | 10/18/2006 | | | | |
| A2.1 | South Elevation | 10/18/2006 | | | | |
| A2.2 | East Elevation | 10/18/2006 | | | | |
| A3.0 | Secton Looking West | 10/18/2006 | | | | |
| A4.0 | South Shading Detail Section | 10/18/2006 | | | | |
| A5.1 | Renderings | 10/18/2006 | | | | |
| A5.2 | Renderings | 10/18/2006 | | | | |
| A6.0 | 1st Floor Enlarged Lobby Plan | 10/18/2006 | | | | |
| A6.1 | 1st Floor Lobby Reflected Ceiling Plans | 10/18/2006 | | | | |
| A6.2 | 5th Floor Furniture Plan | 10/18/2006 | | | | |
| A6.3 | 5th Floor Reflected Ceiling Plan | 10/18/2006 | | | | |
| A6.4 | 5th floor Finish Plan | 10/18/2006 | | | | |
| A6.5 | 5th Floor Elevations | 10/18/2006 | | | | |
| A6.6 | 5th Floor Elevations | 10/18/2006 | | | | |
| A6.7 | 5th Floor Elevatons | 10/18/2006 | | | | |
| A6.8 | 5th Floor Enlarged Restrooms | 10/18/2006 | | | | |
| A6.9 | 5th Floor Enlarged Restrooms | 10/18/2006 | | | | |
| A7.0 | R.P.T.A. Floor Plan | 10/20/2006 | | | | |
| A7.01 | R.P.T.A. Floor Plan | 10/20/2006 | | | | |
| A7.02 | V.M.R. Floor Plan | 10/20/2006 | | | | |
| A7.03 | V.M.R. Floor Plan | 10/20/2006 | | | | |
| A7.04 | A.M.U.W.A.-MAG Floor Plan | 10/20/2006 | | | | |
| A7.05 | M.A.G. Floor Plan | 10/20/2006 | | | | |
| A7.06 | R.P.T.A. Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.06 | R.P.T.A. Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.07 | R.P.T.A. Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.08 | V.M.R. Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.09 | V.M.R. Reflected Ceiling Plan | 10/20/2006 | | | | |

Regional Office Center (MAG)

Job # 1622-000

Dated: October 18, 2006

PROJECT DRAWINGS

| Dr. # | Description | Original Date | CD Set | Most Current Date | Revision # | Status |
|-------|--|---------------|--------|-------------------|------------|--------|
| A7.10 | A.M.U.W.A. MAG Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.11 | MAG Reflected Ceiling Plan | 10/20/2006 | | | | |
| A7.12 | R.P.T.A. Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.13 | R.P.T.A. Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.14 | V.M.R. Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.15 | V.M.R. Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.16 | A.M.U.W.A. MAG Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.17 | MAG Furniture/Electrical Plan | 10/20/2006 | | | | |
| A7.18 | A/V System TI Plan 1 | 10/20/2006 | | | | |
| A7.19 | A/V System TI Plan 2 | 10/20/2006 | | | | |

Audio Visual

| | | | | | | |
|-------|---------------------------|------------|--|--|--|--|
| AV1 | Enlarged 5th Floor Plan 1 | 10/18/2006 | | | | |
| AV2 | Enlarged 5th floor Plan 2 | 10/18/2006 | | | | |
| TV1.0 | 1st Floor ROC | 10/18/2006 | | | | |
| TV2.0 | 1st Floor ROC | 10/18/2006 | | | | |
| TV3.0 | 1st Floor ROC | 10/18/2006 | | | | |
| TV4.0 | 1st Floor ROC | 10/18/2006 | | | | |

Structural

| | | | | | | |
|------|-----------------------------------|------------|--|--|--|--|
| S2.1 | Lower Level Foundation Plan | 10/16/2006 | | | | |
| S2.2 | 1st Floor Framing Plan | 10/16/2006 | | | | |
| S2.3 | 2nd Floor Framing Plan | 10/16/2006 | | | | |
| S2.4 | 3rd Floor Framing Plan | 10/16/2006 | | | | |
| S2.5 | 4th Floor Framing Plan | 10/16/2006 | | | | |
| S2.6 | 5th Floor Framing Plan | 10/16/2006 | | | | |
| S2.7 | 6th Floor & Low Roof Framing Plan | 10/16/2006 | | | | |
| S2.8 | 7th thru 11th Floor Framing Plan | 10/16/2006 | | | | |
| S2.9 | Roof Framing Plan | 10/16/2006 | | | | |

Mechanical

Plumbing

Electrical

PROJECT SPECIFICATIONS

| Section | Description | Doc. Date | Rev. | Status |
|---------|---------------------------------------|------------|------|--------|
| | Regional Office Center Project Manual | 10/28/2006 | | |
| | Addendum No. 1 | 11/7/2007 | | |
| | Addendum No. 2 | 11/10/2007 | | |

OTHER DOCUMENTS

| Description | Doc. Date | Consultant |
|--|-----------|------------------------|
| Report on Geotechnical Investigation | 10/5/2006 | Speedie and Associates |
| Preliminary Parking Analysis | 9/7/2006 | Carl Walker |
| Draft Traffic Impact Analysis | Nov-06 | CivTech |
| Asbestos/Hazardous Materials Survey Report | 9/21/2006 | Liesch |

Design Professional List

[TO COME]

CONSENT TO ASSIGNMENT OF DESIGN CONTRACT AND LICENSE

RYAN COMPANIES US, INC., a Minnesota corporation ("**Ryan**"), and _____ (the "**Original Design Professional**") are parties to the following agreement (the "**Agreement**") pursuant to which the undersigned provided to Ryan professional services and materials as described in the Agreement:

[INSERT DESCRIPTION OF AGREEMENT BY TITLE AND DATE HERE]

Ryan intends to transfer all of its right, title, and interest in the Agreement and in the materials, designs, concepts, plans, specifications and other instruments of service produced pursuant to the Agreement (the "**Instruments of Service**" as further defined below) to the Maricopa Association of Governments ("**MAG**").

By their signatures below, and in exchange for good and valuable consideration (including the obligations and agreements set forth herein), the receipt and sufficiency of which is hereby acknowledged, Ryan, Original Design Professional and MAG acknowledge and agree to the following:

1. The undersigned hereby agrees that upon such transfer, MAG shall succeed to all of the rights and interests of Ryan with respect to the Agreement and the Instruments of Service, including without limitation all applicable licenses with respect to the use of such materials.

2. At the time of the execution of this Consent to Assignment of Design Contract and License, the design of the project that was contemplated by the Agreement (the "**Project**") is incomplete, and the scope of the Project is being materially changed. The design documents for the Project will be completed by a different architect, and such architect shall have sole responsibility for the final design, as incorporated into the final plans, specifications and other design documents.

3. Effective upon and only upon Ryan's assignment to MAG of Ryan's interest in the Instruments of Service, Original Design Professional hereby grants to MAG an irrevocable, non-exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Original Design Professional pursuant to the Agreement (the "**Instruments of Service**"), for the purposes of construction and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Original Design Professional's Instruments of Service), by MAG and others retained by MAG for such purposes. This grant of license shall extend to those parties retained by MAG for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project.

EXHIBIT "C" TO SETTLEMENT AGREEMENT

4. In view of the fact that Original Design Professional will have no participation in, and therefore no control over, the adaptation and use of the Instruments of Service, and in view of the fact that Original Design Professional will have no opportunity to correct any errors or deficiencies in the Instruments of Service in the course of completing the design of the Project, and in light of the fact that Original Design Professional has assigned and transferred all right, title and interest in the Instruments of Service to MAG, Original Design Professional shall have no liability or responsibility whatsoever with respect to the final design of the Project, including without limitation any liability for any deficiencies or errors in the design materials that were produced pursuant to the Agreement.

5. In consideration of the foregoing and Original Design Professional's consent to the transfer described above and in consideration of Architect's consent to the use of the design materials by another licensed architect as described above, MAG agrees to indemnify and hold Original Design Professional harmless from all liability arising in any manner out of the Instruments of Service produced by Original Design Professional pursuant to the Agreement.

6. Original Design Professional hereby confirms that it has been paid in full for all services and materials that were provided or produced pursuant to the Agreement.

Dated: _____, 2007

**[INSERT SIGNATURE BLOCK FOR
DESIGN PROFESSIONAL HERE]**

**MARICOPA ASSOCIATION OF
GOVERNMENTS**

By: _____
Its: _____

By: _____
Its: _____

**RYAN COMPANIES US, INC., a
Minnesota corporation**

By: _____
Its: _____

**CONSENT TO ASSIGNMENT OF CONTRACT
AND INSTRUMENTS OF SERVICE**

RYAN COMPANIES US, INC., a Minnesota corporation ("**Ryan**"), and (the "**Engineer/Consultant**") are parties to the following agreement (the "**Agreement**") pursuant to which the undersigned provided to Ryan professional services and materials as described in the Agreement:

[INSERT DESCRIPTION OF AGREEMENT BY TITLE AND DATE HERE]

Ryan intends to transfer all of its right, title, and interest in the Agreement and in the materials, designs, concepts, plans, specifications and other instruments of service produced pursuant to the Agreement (the "**Instruments of Service**" as further defined below) to the Maricopa Association of Governments ("**MAG**").

By their signatures below, and in exchange for good and valuable consideration (including the obligations and agreements set forth herein), the receipt and sufficiency of which is hereby acknowledged, Ryan, Engineer/Consultant and MAG acknowledge and agree to the following:

1. The undersigned hereby agrees that upon such transfer, MAG shall succeed to all of the rights and interests of Ryan with respect to the Agreement and the Instruments of Service, including without limitation all applicable licenses with respect to the use of such materials.

2. At the time of the execution of this Consent to Assignment of Design Contract and, Assignment ("**Assignment**"), the design of the project that was contemplated by the Agreement (the "**Project**") is incomplete, and the scope of the Project is being materially changed. The design documents for the Project will be completed by a different architect, and such architect shall have sole responsibility for the final design, as incorporated into the final plans, specifications and other design documents.

3. Effective upon and only upon Ryan's assignment to MAG of Ryan's interest in the Instruments of Service, Engineer/Consultant hereby grants to MAG an irrevocable, non-exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Engineer/Consultant pursuant to the Agreement (the "**Instruments of Service**"), for the purposes of construction and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Engineer/Consultant's Instruments of Service), by MAG and others retained by MAG for such purposes. This grant of license shall extend to those parties retained by MAG for such purposes, including design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project.

**EXHIBIT "D" TO
SETTLEMENT AGREEMENT**

4. Engineer/Consultant hereby confirms that it has been paid in full for all services and materials that were provided or produced pursuant to the Agreement.

Dated: _____, 2007

**[INSERT SIGNATURE BLOCK FOR
ENGINEER/CONSULTANT HERE]**

**MARICOPA ASSOCIATION OF
GOVERNMENTS**

By: _____
Its: _____

By: _____
Its: _____

**RYAN COMPANIES US, INC., a
Minnesota corporation**

By: _____
Its: _____

**CONSENT TO ASSIGNMENT OF REPORT ON GEOTECHNICAL
INVESTIGATION AND ASSIGNMENT**

SPEEDIE AND ASSOCIATES (the "**Speedie**") has delivered to **RYAN COMPANIES US, INC.**, a Minnesota corporation ("**Ryan**"), a Report on Geotechnical Investigation on property located at the northwest corner of First Avenue and McKinley in the City of Phoenix (the "**Kaye Property**") dated October 5, 2007 (the "**Report**"). Ryan intends to assign and transfer all of its right, title, and interest in the Report ("**Assignment**") to the Maricopa Association of Governments ("**MAG**").

By their signatures below, and in exchange for good and valuable consideration (including the obligations and agreements set forth herein), the receipt and sufficiency of which is hereby acknowledged, Ryan and Speedie acknowledge and agree that:

1. The Assignment of the Report to MAG is valid and enforceable;
2. MAG may rely upon and has the benefit of all certifications, representations, and information in the Report to the same extent as Ryan.
3. Any and all rights arising from the Report are fully enforceable by MAG to the same extent as they would have been by Ryan.

Speedie hereby confirms that it has been paid in full for all services and materials that were provided or produced pursuant to the Agreement.

Dated: _____, 2007

SPEEDIE AND ASSOCIATES

**MARICOPA ASSOCIATION OF
GOVERNMENTS**

By: _____
Its: _____

By: _____
Its: _____

RYAN COMPANIES US, INC., a Minnesota
corporation

By: _____
Its: _____

**EXHIBIT "D" TO
SETTLEMENT AGREEMENT**